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NEWS SUMMARY

GENERAL

Europe goes to the polls

The West's biggest election gets under way today as the EEC's 180m voters elect a European Parliament for the first time.

Britain, Ireland, Denmark and the Netherlands vote today. West Germany, France, Italy, Belgium and Luxembourg will complete the poll for the 410 MPs on Sunday.

The count will start at 9 p.m. (BST) on Sunday, and first results will be given in a late-night Community-wide Eurovision broadcast. Back Page, Pages 2 and 26

Nunes resigns

Portugal's non-party Government was on the verge of resigning after Dr. Jacinto Nunes, Finance Minister and Deputy Prime Minister, quit the Cabinet in protest at changes to his 1979 budget proposal.

Hua to visit UK

Chinese leader Chairman Hua Guofeng will visit Britain from October 29 to November 3 for talks with Mrs. Thatcher and Government officials. The visit will follow similar meetings in Paris and Bonn.

IRA attack

Soldier, aged 23, was shot dead and three others injured in an IRA gun and grenade attack on the Ulster Defence Regiment's Belfast headquarters.

Gandhi charges

Sanjay Gandhi, aged 32, son of former Indian Premier Indira Gandhi, was charged with murder and rioting. Gandhi was arrested with 300 others after the demonstration he was leading last month turned into a pitched battle with police.

Troy runs clear

The 200th Derby was won by Troy, Willie Carson's mount, at 6-1. It finished seven lengths clear of Dickens Hill with Northern Baby third. Dominic Wigan, Page 24

£250,000 bail

Eleven employees of William Press, the engineering and construction group, were remanded on bail totalling £248,000 by Bow Street magistrates, London, on charges of conspiring to defraud the Inland Revenue. Page 7

Riot death report

Southall riot victim Blair Peach was probably killed by a blow from a rubber cosh or lead-filled hosepipe — and not a police truncheon — according to an independent pathologist's report.

Rail delays

Thousands of rail passengers were stranded when an explosives freight train left the track at Norton Bridge near Stafford. Services between London Euston and the north were temporarily suspended until bomb disposal men flown in by helicopter gave the all clear.

Briefly . . .

Osprey has hatched at the eyrie at Loch Garten, Speyside.

Renault is giving new safety instruction to 21,000 British owners after a child fell out of a Renault 20. Page 7

Paris police said they had arrested a 22-year-old Sorbonne student who was head of the Paris cell of the Corsican National Liberation Front responsible for 22 bombings one night last month.

Battersea Bridge was closed to traffic—because an irate artist was hurling bricks and glass at cars and passers-by. He was upset at demolition workers destroying his 250 ft long mural on a factory wall.

BUSINESS

Equities up 7.6; Lead at new high

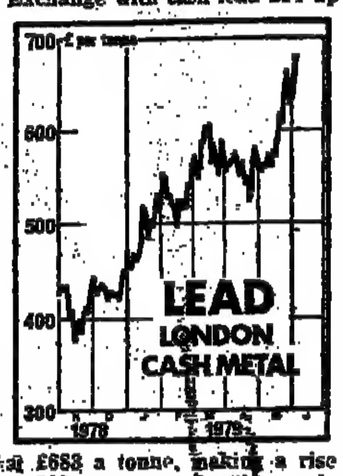
● **EQUITY** markets showed more optimism, although business was slow, and the FT ordinary index closed 7.6 up at 516.9. The Gold Mines index, up 5.2 at 208.4, was its highest since February 1976.

● **GILTS** moved forward and the Government Securities index closed 0.31 up at 72.91.

● **STERLING** fell 65 points to \$2.0740 and its trade-weighted index fell to 67.6 (67.8). The dollar's index was unchanged at 87.0.

● **GOLD** fell \$1¼ to \$278¾ in London after reaching a record level of \$281½ during the day. In New York the Comex June settlement price was \$280.00 (\$279.40).

● **LEAD** prices closed at new peaks on the London Metal Exchange with cash lead £14 up



at £683 a tonne, making a rise of £46 a tonne so far this week. Page 39

● **WALL STREET** was 4.42 up at 835.76 just before the close.

● **NEDC** director general, at the first meeting with Government Ministers since the election, has painted a sombre picture of Britain's industrial performance compared with its competitors. Back Page

● **CHRYSLER** UK is fulfilling its pledge given in 1975 at the time of a £162m cash injection by the Government, by introducing a new range of light trucks to be produced at Dunstable, Bedfordshire. Page 7

● **VIEWDATA**, the electronic publishing system pioneered by the Post Office, has been adopted by General Telephone Electronics of the U.S. as the basis of a new service. Back Page

● **POST OFFICE** has introduced codes of practice covering postal and telecommunications businesses which set out channels for complaints and rebates given for failures in service. Page 8

● **MARKS AND SPENCER** is to spend £300m on development of its UK stores in the next four years, Sir Marcus Sieff, the chairman, has said. Page 28

● **BRITAIN'S** fibre producers are appealing to the EEC Commission to take action against rapidly rising exports of American fibre and fibre products to Europe. Page 6

COMPANIES

● **COMET RADIOVISION** Services, the electrical goods retailer, has expanded pretax profit by 30 per cent to £5.54m in the half year to March 3, on sales ahead at £85.8m (£68m). Page 28

● **THOMAS WARD**, the scrap metal, engineering and construction group, reports pretax profit up from £4.69m to £6.17m for the half year to March 31 on turnover of £132m (£120m). Page 28 and Lex

● **NATIONAL WESTMINSTER** Bank is to raise \$100m through a floating rate bond on the international capital market—its third outstanding floating rate dollar bond—to finance international operations. Page 35 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 8¼pc '84-86...	£88	+ ¼
Treas. 11½pc '01-04..	£95½	+ ¼
Amal. Distilled Prd.	46	+ 6
Armitage Shanks ...	89	+ 10
Averys	270	+ 8
Brown and Jackson	268	+ 40
Coral Leisure	121	+ 6
Dowty	357	+ 22
ICI	384	+ 7
Imry	700	+ 35
Int. Thomson Cn.Pf.	333	+ 23
Ladbroke	212	+ 9
Lee Cooper	295	+ 17
Lotus Car	46	+ 4
Matthews (B.)	270	+ 20
Moss Bros.	297	+ 7
Nat. Carbonising	58	+ 4
Neil and Spencer...	212	+ 8
Pegler-Hattersley	166	+ 8
Plessey	110	+ 5
Raybeck	127	+ 5
Savoy A	121	+ 7
Stylo Shoes	144	+ 12
Vinten	156	+ 15
BP	1224	+ 26
Plantation Hldgs. ...	110	+ 7
Warren Plants. ...	143	+ 7
Buffels	£10¼	+ ¼
Cons. Murchison ...	300	+ 25
Gold Mn. Kalgoorlie	94	+ 6
Impala Plat.	240	+ 14
President Brand ...	£10½	+ ½
Sentrust	275	+ 19
UC Invest.	365	+ 23
Union Corp.	468	+ 20
Wankie Colliery ...	61	+ 7
FALLS		
Hawthorn Leslie ...	83	− 7
Leyland Paint	135	− 7
McCorquodale	123	− 7
Muirhead	242	− 14

U.S. grounds DC-10s for design checks

An early clearance seems improbable for the McDonnell-Douglas DC-10s throughout the world, grounded yesterday after fresh two-inch cracks in the engine-mounting of two American Airlines DC-10s, were discovered in California. The U.S. Federal Aviation Administration said there was also evidence of a possible design flaw in the aft bulkhead.

The latest grounding order from the FAA, which also withdrew the DC-10's airworthiness certificate, is the severest of the three applied since the Chicago crash, 12 days ago. It overtook moves by the FAA to have a U.S. Federal judge squash an injunction he had issued on Tuesday grounding the aircraft until next Monday for further checks.

Most airlines throughout the world grounded their fleets. British, North American and a number of Western European airlines acted immediately. But others, including Sabena of Belgium and Jugoslav Air Transport, said they would keep theirs in service. The FAA said DC-10s kept in service would not be allowed to land in the U.S., while the grounding order was in force.

Laker Airways and British Caledonian Airways grounded their fleets and the Civil Aviation Authority suspended the aircraft's airworthiness certificate. The decision is costing Laker £350,000 a day. British Caledonian is to acquire two extra Boeing 707s to try and maintain services.

The plans of thousands of British holidaymakers face disruption, with Laker having cancelled all Skytrain services, charter and holiday flights on DC-10s for the next seven days. People with bookings have been offered their money back. Many bookings with World Airways, through the charterer, Jetsave, will also be affected.

FAA ban may last weeks

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE grounding order issued at breakfast time yesterday by the Federal Aviation Administration was speedily followed by most other world aviation authorities.

But Mr. Langhorne Bond, FAA administrator, made it clear that even if other authorities were to permit the DC-10 to fly again before American authorisation was given, the aircraft would not be permitted to land in the U.S.

At a Press conference he repeatedly stressed that the Federal Aviation Administration still did not know what had caused both the Chicago crash 12 days ago of an American Airlines DC-10 and the latest evidence of engine-mount cracks. But Mr. Bond did give a precise indication of why he acted yesterday morning only hours before his lawyers were due to go into a Federal Court here and try to reverse a judicial order of Tuesday night grounding the aircraft for additional inspection until next Monday.

The critical discovery at San Francisco Airport was that the two American Airlines jets with serious new cracks had not been subject only the week before to what has been described as the improper maintenance procedures conducted on the DC-10 in removing its engine and the pylon connecting the engine to the wing while undergoing inspection.

At the same time, Mr. Bond said, an FAA team had turned up evidence of what might be inherent design problem in the aft bulkhead. This, combined with the fact that it did not appear as though faulty maintenance procedures were the cause, induced him to ground all types of the DC-10 until further notice.

He declined to be drawn into estimates of when the aircraft could return to service. But he suggested that the delay could be considerable and certainly would not be less than a week or two.

McDonnell Douglas, the DC-10s manufacturer, issued a statement attacking the FAA grounding order for being "extreme and unwarranted." The company said that the FAA should only have taken out of service the DC-10 series 10, which is principally used on American domestic routes.

But Mr. Bond said there was sufficient communality of design between all the series of DC-10s in service to warrant suspending the airworthiness certificate of the whole range of aircraft.

Moreover, he also revealed that the FAA was in the final stages of drawing up revised recommended maintenance and service procedures for all wide-bodied jets now in service. These are the Boeing 747, the Lockheed L1011 and the European Airbus.

The new inspection rules would be promulgated in about a week, he said, although he stressed that no suspicion of inherent design flaws attached to the other three aircraft.

The drama of the last 24 hours over the DC-10s has been intense. On Tuesday evening a Federal Court judge issued an order grounding until Monday all DC-10s in domestic service at the request of the Airline Passengers' Association.

Initially, the FAA went to the judge and won a stay of execution of the order until yesterday morning. But the problems discovered in California changed the FAA's approach. It went to court and dropped its request for a reversal of the judge's order. The Airline Passengers' Association then asked that it be extended, but Judge Aubrey Robinson did not immediately respond.

As it stands, therefore, the order stays in effect until next Monday. But the FAA is under such pressure to ensure that it does not sanction continued flights by the DC-10 before it is absolutely satisfied as to airworthiness that, as Mr. Bond said, an early resumption of flights looks improbable.

Until now, the FAA has largely focused on the inspection and maintenance procedures used by some airlines in contravention of the explicit directions laid down by McDonnell Douglas. American Airlines was one of the carriers using the modified procedure and it was its jet which crashed in Chicago and which was found

Continued on Back Page

British airlines follow suit

BY LYNTON McLAIN

LAKER AIRWAYS and British Caledonian Airways yesterday grounded their fleets of DC-10 airliners less than two hours before the Civil Aviation Authority suspended the certificate of airworthiness for the aircraft.

The grounding is already costing Laker Airways, which owns six DC-10s, £350,000 a day in lost revenue. The company had talks last night with its legal advisors about possible compensation for the losses.

British Caledonian said it would wait for clarification of the order from the UK Civil Aviation Authority. The company said it hoped its fleet would be cleared late yesterday.

Both airlines said the decision to ground the aircraft was taken voluntarily.

The CAA said that inspections carried out on all UK-registered DC-10s had not revealed any defects of a hazardous nature. The authority yesterday made urgent inquiries with the Federal Aviation Administration in the U.S. to find the "full reasons for the exceptional action it has taken."

The British authority is not obliged to follow the U.S. FAA ruling, which has no legal force in Britain. "But it would be complete folly for the CAA not to be heavily involved with the administration's decisions," the CAA said last night.

"At the end of the day, however, it is for the CAA to take decisions affecting UK-registered aircraft."

The full reasons for the CAA decision will be given as soon *as the FAA documents are avail-*

Before the decisions to ground their DC-10 fleets, both companies had reaffirmed their confidence in the DC-10, saying that services would continue as normal.

Sir Freddie Laker, chairman and managing director of Laker Airways, said he had full confidence in his DC-10 fleet. He also said he would be making no more unscheduled safety checks.

Both decisions to continue as normal were reversed after midday, after details of the new cracks became available.

McDonnell Douglas said the outcome of U.S. inquiries would help determine where the liability for the losses now being incurred by almost all airlines operating DC 10s lay.

If the grounding proved to be unnecessary, it is possible that airlines will have recourse to the Federal Aviation Administration. If there has been a service fault then the airlines or their service agents may be liable, and if the manufacture is shown to have made design errors, then the company may be liable.

After the crash of the Turkish Airlines' DC-10 in Paris on March 4, 1974, McDonnell Douglas decided not to contest liability.

Turkish Airlines, General Dynamics (which made part of the aircraft), McDonnell Douglas and insurance companies all paid large sums, but the manufacturer has not released the final cost.

Further reactions, Back Page
Skytrain hearing, Page 8

BL Cars labour chief quits

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MR. BILL McLEAN, BL Cars' industrial relations director, has resigned after disagreement about a reorganisation of his department.

BL Cars intends to reduce the centralised personnel team and push day-to-day control of industrial relations back to the three constituent companies of Austin-Morris, Jaguar Rover Triumph and BL Components.

Mr. Michael Edwardes, BL chairman, is thought to see the move as a logical development of his plans for devolving responsibility to the individual companies.

The departure of Mr. McLean, who is held in high regard by the trade unions, must be a loss to the company. There is a risk that any weakening of central control could re-awake union pressure for plant level bargaining.

This could undermine the efforts of the past two years to achieve parity—the same wage for the same job regardless of plant.

Under the proposed new structure each of the three companies will have its own industrial relations director, which BL believes will enable a quicker response to plant level problems.

A central employee relations team will be retained to conduct negotiations on pay and determine overall labour policy. BL is likely to argue that this team, guided by the managing directors of the three companies, will be able to keep tight central control over pay and conditions.

Mr. McLean is known to have been unhappy for some time about the decentralisation of labour relations. He was closely involved in the creation of Leyland Cars after the Ryder rescue in 1975.

He took on the top job after the resignation early last year of Mr. Geoffrey Whalen, who had been personnel director before the appointment of Mr. Edwardes in November 1977.

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Germans seek more supplies of UK oil

BY JONATHAN CARR IN BONN

THE GOVERNMENT may shortly be faced with a West German industrial offer of more investment in Britain in return for increased supplies of North Sea oil for processing in West Germany.

Such a deal would markedly extend existing co-operation, notably between Britain and Veba, the huge German energy concern which has concluded a major accord with British Petroleum and has North Sea interests through its subsidiary Deminex.

That co-operation has worked well, and Deminex has even to some extent received preferential treatment over other foreign customers. However, the Germans have long been interested in obtaining further relaxation of the general rule that North Sea oil should first be landed and processed in Britain.

In return for increased supplies of crude, which they wish to refine domestically into higher value products, the Germans would be ready to step up their British investment.

Such an arrangement never emerged in the time of the Labour Government, but the Germans are anxious to see whether the Conservatives are ready partly to change North Sea oil supply policy.

So far there is no clear sign of this. The international oil shortage from which the British too are suffering is clearly seen as a complicating factor.

On the German side it is felt that the offer of oil against investment may well have some appeal, particularly to a Government adopting a new approach to European Community problems and conscious that its energy resources are a bargaining card.

The deal would make particular sense to Veba, West Germany's biggest industrial enterprise in turnover terms, which is restructuring its activities, not least through the BP accord, and looks for assured access to even greater oil supplies.

Energy co-operation was a key topic in talks in Bonn on Tuesday night between Lord Carrington, the Foreign Secretary, on his first visit to Bonn in his present post, and Herr Hans Dietrich Genscher, his West German counterpart.

The talks were described by the German side as particularly sincere and friendly, and it was stressed that Lord Carrington had underlined Britain's basically positive approach to the European Community.

None of this proves that marked progress was made on major problems of British EEC membership such as agriculture and Budget. But the tone suggests there was a better atmosphere between British and West German Foreign Ministers than has existed for months past.

OPEC chief warns of \$20 barrel

BY KEVIN DONE IN LONDON AND JAMES BUCHAN IN JEDDAH

THE ORGANISATION of Petroleum Exporting Countries' official marker crude oil price should rise to at least \$20 a barrel, Mr Rene Ortiz, the secretary general of OPEC warned yesterday.

The current price of Arabian Light, the main Saudi Arabian crude which is used as the basis of the OPEC price structure, is \$14.55 a barrel. But Mr Ortiz said yesterday that the price should rise by at least \$5.50 a barrel to compensate for the fall in the value of the U.S. dollar.

The OPEC pricing system is in chaos after four months in which individual producers have indiscriminately added surcharges above the basic agreed OPEC prices with little regard to the differing quality of their crudes.

Saudi Arabia is now isolated as the only producer not to have introduced surcharges on its main crude output. As a result the price of Arabian Light is about \$3 a barrel lower than the present market price. Since the beginning of April a two-tier price system has been operating.

Saudi Arabia has been trying to moderate the spate of crude oil price increases. But it now appears to be prepared to raise

Continued on Back Page

£ in New York

—	June 5	Previous
Spot	\$2.0780-0790	\$2.0775-0785
1 month	0.27-0.22 dis	0.17-0.12 dis
3 months	0.70-0.65 dis	0.56-0.50 dis
12 months	1.55-2.45 dis	2.35-1.

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Cautious party line on likely turnout in UK

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE UK Labour and Conservative parties yesterday issued last minute appeals for their supporters to vote in today's first direct elections to the European Parliament.

It was very noticeable, however, that leading figures in the two major parties seemed very unsure of the probable size of the turnout. They took an extremely cautious line, and refused to be drawn into predicting the result.

Speaking at the final Conservative news conference of the campaign, Mrs. Margaret Thatcher, the Prime Minister, emphasised that it was essential for the maximum number of electors to use their votes "on this great historic occasion."

It was the first time, she said, that 180m electors in nine countries had the opportunity to choose from 2,500 candidates in an international election.

She again stressed that the Tory Government is committed to the European ideal. It would be trying to obtain a better deal for Britain from the EEC budget and in this the European Parliament had a major part to play.

She thought that the British Conservatives might be the biggest single national party in the Parliament but declined to forecast how big today's vote would be.

The Prime Minister also returned to her controversial weekend speech, on the part which the EEC had to play in the defence of the West. She explained that she had not been advocating a definite defence stance for the Community. That was the task of NATO. But she was suggesting closer co-operation between the EEC and NATO.

Lord Carrington, the Foreign Secretary, intervened to expand on the Conservative position. NATO had the task of providing security for Europe, but the EEC had to provide a strong economic basis for this. They were, however, two distinct organisations.

At the Labour Party news conference, Mr. Michael Foot, Leader of the Commons in the last Government, said that the Labour vote could well be much bigger than the poor turnout being predicted by some newspapers. Nevertheless, like Mrs. Thatcher, he would not be drawn into any specific forecasts.

Mr. Anthony Wedgwood Benn, the former Energy Secretary, claimed that Labour's campaign had now "taken off." Voters understood the party's European policy in which all countries would co-operate on the basis of national self-government.

Mr. Benn also attacked Mrs. Thatcher's weekend speech on defence. He warned that if the Tories won a large number of seats in the Parliament it would pose a threat to detente and could undermine co-existence and co-operation between the Soviet Union and the West. He believed that Mrs. Thatcher was resurrecting the idea of a Western defence community.

East Europe looks on with bitterness

BY LESLIE COLITT IN BERLIN

WESTERN EUROPE'S election has become a bitter pill to swallow for 108m East Europeans in six small countries tied closely to the Soviet Union.

"We have shed too much blood for Europe in our 1,000-year history to simply allow ourselves to be excluded from Europe," explains a Hungarian historian.

Ironically, the Soviet Union, after bitter opposition, has come to terms with what it now calls the "objective reality" of Western European integration. Moscow is raising the spectre of a uniting Western Europe to forge closer political and economic ties between the Warsaw Pact countries. And as the Soviet Union is the towering partner in such relations, most of the other East European countries view the integration plans with alarm.

East Germany's leaders, however, are zealously putting forth the Soviet arguments that the European Community is a threat to the Warsaw Pact.

The foreign affairs weekly of the East German Government writes that the "monopoly bourgeoisie" in the European Community is determined by means of "imperialist integration" to create an important instrument to secure the "monopoly capitalist system" and to "actively combat socialism."

This, though, remains a minority view in Eastern Europe. East Europeans are far more concerned about being relegated by West Europeans to a status of "former Europeans."

Jerzy Sulek, of the Warsaw Institute of International Affairs, finds the words European Parliament express a "political egocentricity, a presumption to speak in the name of all of Europe and not only for Western Europe."

East Europeans say they have nothing against West Europeans directly electing their Parliament to draw closer together. What they object to is what the Hungarian historian calls the Western European Parliament's claim to be the "sole representative of Europe."

At a discussion about the European elections between Hungarians and a Westerner, a Hungarian actress said: "We watch the European elections as if we were at an exhibition because it actually isn't our affair, although we feel ourselves to be Europeans."

A Hungarian musician notes that "the East Europeans could also create a community, hold another European election and regard themselves as the sole Europeans but they won't do it."

Professor Dezsö Keresztury is a former Hungarian Minister of Culture who explains his "mixed feelings" when he hears of the European elections.

First, he notes there is the positive exercise of "democratic principles through direct elections" and then there is the "danger of a strong new emphasis on the leadership role of Western Europe to speak alone for all Europe."

Professor Keresztury goes on to say that European history has had its experiences with "several coalitions even more difficult and dangerous than this one" and that he is convinced Europe will nevertheless maintain its identity.

A Habsburg is CSU's secret weapon

By Roger Boyes in Bonn

THE HABSBURG Family, former emperors of Austria-Hungary, once ruled over one quarter of Europe. Fortunately, for Europe, perhaps, Dr. Otto von Habsburg, son of the last Austro-Hungarian Emperor, has more modest ambitions. He wants to be elected to the European Parliament.

Dr. von Habsburg, 66, an historian and journalist, is a secret weapon for the Bavarian-based Christian Social Union (CSU) in its election campaign.

The not-so-secret weapon is Herr Franz-Josef Strauss, leader of the CSU. He is not standing for the European Parliament, but inevitably shares a platform with Dr. von Habsburg.

His passionate oratory helps to warm up the audience for the Emperor's son, whose somewhat reedy voice just manages to float over the heads of the security men and troupes of dancing children.

Despite the difference in style, the message of Herr Strauss and Dr. von Habsburg is the same: Europe needs to be strong and united to resist the Soviet threat.

German reunification, they say, is only possible in a European framework (CSU activists are unwilling to elaborate on this proposition).

Like its sister-party, the Christian Democrats, the CSU is campaigning on a dual slogan: "Vote for a free, Christian Europe and against a Socialist Europe."

The CSU add a further rallying call—a CSU vote, they say, will help bring about a "federal" continent.

This has particular resonance for Bavarians. Throughout history, the notion of federalism has helped to secure Bavaria a brand of limited sovereignty and guaranteed it a special status in Germany.

Dr. von-Habsburg, though not a card-carrying CSU member, is especially useful to the party in conveying this historical continuity.

The party seems to be quite happy to have a non-CSU member as one of its leading candidates for the European Parliament. However, Dr. von Habsburg at times goes a little too far even for the solidly right-wing CSU.

He has called, for example, for the European nations to accept that a strongman should be allowed to take over government for up to nine months (suspending all laws) during emergencies, such as nuclear blackmail.

Many Bavarians, schooled on the powerful language of Herr Strauss, like this sort of outspokenness. But the CSU is grateful too that it can, if necessary, distance itself from his more extreme views.

The other side of this coin is that the CSU can sometimes use Dr. von Habsburg as a mouthpiece for its dissatisfaction with its opposition partner, the CDU.

Herr Strauss in Munich last month used the platform of a European election meeting to attack Dr. Helmut Kohl's leadership.

Now that Herr Strauss has declared he would like to be the opposition's official contender for Chancellor against Herr Helmut Schmidt in next year's election, he has to tread somewhat more carefully in criticising the CDU leader.

Meanwhile, Dr. von Habsburg has taken to making oblique remarks about the quality of CDU leadership and on the need for a strong opposition to the "forces of Socialism."

"Dr. von Habsburg," a CSU party worker said yesterday, "has a perfect right to say what he wants."

MR. EDWARD HEATH

Towering figure in Tory campaign

BY ELINOR GOODMAN, LOBBY STAFF

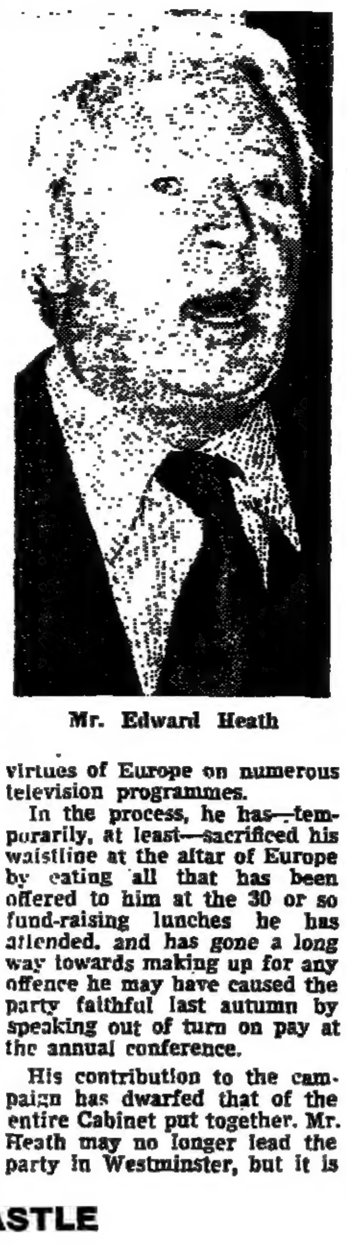
FOUR O'CLOCK in the afternoon in a small Huntingdonshire village, where Tory ladies still wear hats and the trees blossom with rare signs of European life in the shape of Conservative European posters. Mr. Edward Heath is making one of the last appearances in his 7,000-mile European crusade.

Doesn't he agree, asks one lady with razor-sharp vowels and a proven record of supporting the EEC as a member of the European Union of Women, that the idea of Europe goes over much better if it is referred to as the "European Community" rather than as the "Common Market."

Mr. Heath agrees, but not perhaps for the reason she has in mind. Like a computer programmed to give certain responses to a limited number of key words, he uses the question to explain yet again his vision of the Europe he took Britain into as Prime Minister, and whose ambassador he is now prepared to be in the smallest of village halls as the Conservatives' most cosmopolitan backbencher.

Europe, he states with a degree of conviction which makes complaining too loudly about butter mountains and wine lakes seem almost niggardly, is not just a question of "butter and fish." There is, he insists, a spiritual dimension to it as well.

It is this conviction which has sustained him during his three weeks' tour of Britain on behalf of the Tories' European candidates. By the time the electorate goes to the polls today, he will have given 35 major speeches, probably twice as many "minor" ones in assorted village halls and committee rooms, appeared on practically every available local radio station, and painstakingly explained the virtues of Europe on numerous television programmes.



Mr. Edward Heath

In the process, he has—temporarily, at least—sacrificed his waistline at the altar of Europe by eating all that has been offered to him at the 30 or so fund-raising lunches he has attended, and has gone a long way towards making up for any offence he may have caused the party faithful last autumn by speaking out of turn on pay at the annual conference.

His contribution to the campaign has dwarfed that of the entire Cabinet put together. Mr. Heath may no longer lead the party in Westminster, but it is he and not Mrs. Thatcher who has dominated the Tories' European campaign.

Although he made even more speeches in last month's general election campaign, he has seemed much more relaxed when speaking on behalf of the European candidates.

For a start, he could be reasonably excused for not mentioning Mrs. Thatcher by name, as she is not standing for Europe. Nor is there any obvious issue, like pay policy, on which she and Mr. Heath disagree in a European contest.

He may be a much more devout European than most members of Mrs. Thatcher's Cabinet, but there was little danger that he would actually contradict the party line on Europe.

The European manifesto was sufficiently vague to encompass most shades of pro-European opinion; and even if he had deviated from it, the boredom of the media in general with Europe is such that they probably would not have noticed.

Apart from the occasional speech on a particular policy, his basic rallying cry has not changed much during the three-week campaign. Whether addressing a lunchtime meeting at the Nuneaton Conservative Club where, sitting on the stage in front of a well-stocked bar, he looked like part of the cast in a repertory play, or speaking at the Cambridge Union, he has stuck to the same basic outline and told the same few jokes.

Denying that the European Parliament is a body without powers, he has compared it repeatedly to the U.S. Congress. In keeping with the party's manifesto, he has acknowledged that both the Community budget and its agricultural policy need reforming.

But he has succeeded in giving the impression that this is not really the Community's fault, and that in any case such drawbacks are relatively insignificant in the context of the long-term benefits of membership.

In the last few days of the campaign, each speech has ended with an emotional appeal to vote today, which has managed to combine both the Tories' traditional pride in Britain with a thoroughly modern belief in Europe.

Plucking at the conscience of all good nationalists, he has painted the pathetic picture of some poor British MP in the bar at Strasbourg being derided by some over-confident Frenchman because he was elected by only a tiny minority of the population, whereas the Frenchman (who is naturally paying for the drinks because he is richer) had the backing of millions behind him.

June 7, he has concluded, will go down in the history books as the day that Europe took another step towards democracy. Because of this, his audience would want to be able to say: "Yes, I was there; I participated, and helped Europe become more democratic."

The audience response to this appeal varied from a slightly embarrassed titter at the Cambridge Union to an impressed silence, followed by long applause, from party workers.

Mr. Heath will have every reason to remember June 7. Not only has he proved his dedication to both the Conservative Party and Europe, but today will be almost the first day since the beginning of the general election campaign two months ago that he has not either given a speech or seen the inside of a Conservative committee room.

MRS. BARBARA CASTLE

'No new market' for British goods

BY BARBARA DALZELL

IF Mrs. Barbara Castle, were taking part in a political popularity contest on June 7, she would undoubtedly be the winner for the Greater Manchester region. Instead she is Labour's candidate for the European Parliament constituency of Greater Manchester North—and the result seems likely to be the same.

The constituency, stretching from Bury to Oldham, is considered a safe Labour seat. But Mrs. Castle is leaving nothing to chance in her efforts to win the support of the area's 350,000 voters. Her campaign programme includes public meetings, tours of factories, offices and hospitals, meet-the-people expeditions to supermarkets and shopping centres.

She pinpoints her two main enemies as apathy and antagonism to the European Community. "We don't know how people will react to voting for something they don't much about—and what they do know, they don't like."

Distrust of the EEC has enabled her to make a strong plus point of her anti-Market reputation. She stresses the need for someone who will look after the interests of British consumers. She warns against the dangers of a European decision-making process which takes little account of British problems. She ridicules the contention that the EEC offers great opportunities to British industry.

"The majority of managers I've spoken to say the EEC is doing them no good. It hasn't opened up any new markets for them. They can compete on price and quality, but there is still a strong nationalist bias. West German buyers want to buy West German goods. French buyers are still buying French goods."

As a result, she says, British industry is concentrating on finding non-European markets, in Asia, the Middle East, the Commonwealth and the United States.

Her main election platform, however, is rising food prices. The campaign began sluggishly but has gained momentum in the last fortnight. "People have been motivated by high prices—Mrs. Thatcher's high prices. There was doubt and confusion at first, but now Labour voters see the election as a chance to hit back at the Conservative Government and Tory high prices."

She loses no opportunity to press home this point. She finds a woman inspecting the meat counter at the Tesco super market in Prestwich. "How are the prices, dear? Worse than ever?"

She moves on past a shop assistant sticking prices on to canned goods. "Prices gone up again then, luv?" She stops to explain to another shopper how the EEC forces up food prices. "Under the Common Agricultural Policy, prices are fixed centrally, so we've got to pay prices that cover the least efficient farmers.

"Take lamb, for example. The French produce lamb, so the EEC makes us pay an extra 30p in the pound for New Zealand lamb. Why should we pay EEC prices when we could buy New Zealand lamb more cheaply? We've got to abandon the concept of common prices. I'm deeply opposed to any taxes on food. They're obscene."

Mrs. Barbara Castle

Mrs. Castle offers a two-part interim solution: the British Government must freeze any further increase in food prices until the CAP is reformed, and Britain must be allowed to resume imports of cheaper food from outside the EEC.

Her message goes down well. Mrs. Castle comes across even better. She walks into a hospital canteen and a woman at a nearby table looks up, recognises her and rushes over.

"It's Barbara Castle. Can I shake her hand?" she asks one of the Castle entourage.

They shake hands, then have a brief chat and someone taking a photo of them together. No doubt of an assured Labour vote there.

Other hospital workers are keen to meet her. Her status as a former Social Services Secretary clearly impresses members of the National Union of Public Employees and the Confederation of Health Service Employees.

She stops to talk to a man in a shopping centre. "I owe you a favour—you could have saved by life." He explains that he was picked up on a drink-drive charge not long after the former Transport Minister had introduced the breathalyzer. Since then he has stopped drinking before driving.

Mrs. Castle chats to shoppers about the election, about prices, about local matters. Comparisons with Mrs. Thatcher are frequent. "She talks down to us, but we understand what you're saying."

Her Tory opponent, Mr. Colin Grantham, stresses the advantage the EEC offers to British industry and jobs. The Liberal, Mr. Michael Steed, favours increased powers for the European Parliament. But whether their arguments can compete with Barbara Castle's personal popularity and her plea to be "the voice of the consumer" remains to be seen.

Problem of the motorway parliament

By Margaret Van Hattem in Brussels

ABOUT six times a year, a bizarre caravan sets out from Luxembourg. Five hundred officials, secretaries and typists accompanied by pantechnicons loaded with files, filing cabinets and tin trunks packed with documents, stream down the motorway to Strasbourg.

It is the European Parliament, which with the wisdom of Solomon, is settling an old dispute by dividing itself in two.

Newly-elected members of the European Parliament face a huge row should they try to do away with this curious ritual. National dignity, and quite a lot of money, are at stake.

Candidates for the elections have so far scrupulously dodged the crucial issue of where they will meet—crucial because it will, to a large extent, determine their effectiveness as watchdogs on two other big Community institutions—the Commission, and the Council of Ministers.

If the new Parliament, like the old one, is forced to sit in Strasbourg and/or Luxembourg, it will have the same struggle to make its voice heard in Brussels, however many new powers it seizes.

By keeping the old Parliament out of Brussels except for a number of committee meetings, national Governments ensured maximum difficulty for MPs trying to build up the close unofficial links with Commission officials, Council officials and diplomats which in Brussels often provide the only means of finding out what is really going on.

Going by the debates and reports of the old Parliament, Members often had little idea of what was going on.

Clearly, the Parliament will be a more effective watchdog if it sits in Brussels.

But getting it there requires a decision by national Governments, who will not court interference in their work through the Council of Ministers, and who are not keen to see the European Parliament any stronger, lest it threaten their sovereignty.

Besides, the unofficial campaign to put the Parliament in Brussels has, from the start several years ago, met unshakeable opposition from France and Luxembourg, at present engaged in a race to construct bigger and better buildings to house the directly-elected Parliament.

Community institutions own no real estate. Until now, the Parliament has been housed in buildings rented from the Government in Luxembourg, and in Strasbourg, sub-let by the 22-nation Council of Europe which, in turn, rents the buildings from the civic authorities.

With the doubling of Euro-MPs from 198 nominated ones to 410 directly-elected ones, the Parliamentary Chambers and other facilities in use in these centres are no longer big enough.

Both centres have, therefore, with funds from their central Governments, constructed entirely new buildings. The Strasbourg complex will be ready for the first post-election session. The Luxembourg buildings are due to be completed by November 1.

The rent on these buildings is minimal compared with the economic spin-off.

Twenty years of such cash inflows have meant an enormous boost to the tiny economy of Luxembourg, to whom a sudden withdrawal would be catastrophic.

In Strasbourg, the issue has more subtle overtones. Mayor Pierre Pflimlin, a leading figure in M. Jean Lecanuet's Centre Democratique party, whose support ensured victory for President Giscard in his first Presidential election, has convinced the Government in Paris that he is owed a favour.

Strasbourg has, since the war, been a stronghold of moderate Gaullists. So far, these have preserved a discreet distance from the aggressive line pursued by Gaullist leaders such as M. Jacques Chirac and M. Michel Debre, which is causing so many headaches to Giscardiens in Paris.

Should the Government weaken its support for Strasbourg as a seat of the Parliament, this gap may well be bridged.

Sardinia, where lavish promises fall on barren soil

BY RUPERT CORNWELL IN CAGLIARI

"EITHER Sardisti or slaves" proclaims the poster of the Partito Sardo d'Azione (the Sardinian Action Party), largest and oldest of the island's separatist parties.

Like all the other posters disfiguring the walls of Cagliari and other towns, the PSA's will stay up for at least another 10 days.

For as well as last weekend's General Elections, and the European elections on Sunday, Sardinians also have to vote for a new regional administration on June 17.

Even at a local level, the "Sardist" parties are unlikely to amass more than 5 per cent of the vote between them.

By any conventional yardstick, the island's troubles should by now have made it fertile ground for protest against Rome and the mainland political parties, after decades of "Malgoverno"—the chronic incompetence of Italian public administration.

But what could have been one of the most militant peripheral regions of the Common Market remains resigned, fatalistic and largely indifferent to direct elections to the European Parliament.

One explanation lies in the electoral system devised by the central Government. Sardinia has been lumped with Sicily as the fifth and smallest of Italy's five Euro-constituencies.

With a population of only 1.5m, a third that of Sicily, it is unlikely to return more than one, or conceivably two, Deputies to Strasbourg.

One will be a Communist, Sig. Umberto Cardia. The fate of the other, a Christian Democrat, depends on factional infighting, at least as strongly evident in Sardinia as on the "Continente."

The island, closer to Corsica and Tunisia than Rome, has few illusions about the practical consequences of direct elections.

True, contact has been made with other outlying European and Italian regions, and some claim to detect a growing readiness on the part of Sardinian entrepreneurs to bypass Rome and go straight to Brussels or other EEC capitals.

But idealistic promises about lavish regional aid and a secure future as part of a more vigorous Community cut little ice, in the absence of the prospect of a genuinely united Europe.

Money has been poured into Sardinia by the Italian Government even faster than promises. Yet what has been achieved?

The island is best known abroad for its important U.S. nuclear base at La Maddalena, for its tradition of banditry, and for the lush tourist encampments of the Aga Khan on the Costa Smeralda.

The hundreds of millions of pounds made available by Rome have succeeded in creating little more than one of the most spectacular industrial disasters ever.

Sardinia is almost synonymous with Sig. Nino Rovelli, the self-made magnate with the looks of Clark Gable who created the SIR petrochemical empire, and who is known locally as "the Viceroy." Today, SIR is in ruins with debts of L3,000bn (£1.76bn) and monuments of the folly litter the island.

Streets of sour resignation. Half a million Sardinians have emigrated, and among those who remain, unemployment stands at 80,000

One, at Rumianco, near Cagliari, can be perceived through the summer haze, shimmering away across the salt flats next to the port.

Another plant is at Ottana, absurdly sited in the remote centre of the island. Two groups involved there, ENI and Montedison, are losing an estimated L60bn a year.

The trouble can be traced to the "Piano di Rinascita" drawn up in the early 1960s for Sardinia, under which Rome made available a further L1,000bn (£566m) on top of the special Mezzogiorno credits to which it was already entitled.

Sardinia, in the words of Sig. Armando Zucca, for 25 years a Left-wing opponent of the Christian Democrats on the regional council, "was nobody's territory." Then Rovelli arrived.

Colonisation followed a familiar Italian pattern: Some people became rich, while Rovelli bought a local paper and bankrolled the local football team.

Those were the good years. Petrochemicals seemed an endless source of prosperity, and Cagliari improbably won the Italian soccer championship in 1970.

Today, there is just sour resignation. Half a million Sardinians have emigrated, unemployment stands at 80,000, while one-third of the chemical industry's 20,000 employees are temporarily laid off.

Only special State schemes are keeping a further 35,000 young people off the dole. More serious, the attention paid to petrochemicals has meant that agriculture reform, food processing and mining, on which revival of the island might have been built, have gone by default.

History has taught the Sardinians not to be over-optimistic, and that recent events conform to a sad pattern.

For centuries driven inland by invaders and the malaria endemic around the lowlying coastal regions until 1946, they are a pastoral people, resigned to fending for themselves.

To Italy, they have given two Communist leaders, Antonio Gramsci and Enrico Berlinguer, as well as notable lawyers and soldiers.

From the latter, and the heavy casualties of the crack Brigata Sassari during World War I, the Partito Sardo d'Azione was born.

Then, as now, its separatism was of the milder sort, its goal the establishment of Sardinia as a fully independent part of a federal Italy, along Swiss lines.

The reason for its lack of support, apart from the splits which have plagued it, lie to some extent in the plight of the island today.

"We are a people of public servants, pensioners, and unemployed," one long-time separatist sympathiser says. "The place is only kept going by subsidies and money from the centre. How can you expect people to want to cut loose?"

Meanwhile, Rome tried to go some of the way by giving the island a special more-autonomous statute in 1948, so that many who might have taken a more extremist line allied themselves to existing national parties.

Sardinia, indeed, has never witnessed the nationalist violence of nearby Corsica.

This Sunday, and the regional elections of the 17th, are therefore, not expected to produce a great change from the General Elections, though their smaller importance might see a switch in votes away from the Christian Democrats and the Communists to the smaller parties.

But the PSA only polled 2 per cent last weekend, and the rival left-wing Sardist group under 1 per cent.

Sardinia has, in fact, recently closely reflected national trends. On Sunday, both Christian Democrats and Communists lost ground, and the small parties of the Centre advanced.

The regional administration has been run along the lines of national government, with the Communists not in power but influencing proceedings from outside.

The pattern of the DC as largest party, followed by the Communists and Socialists, is expected to be repeated both this weekend and on the 17th.

The 'Sardisti' may gain one councillor, but they certainly will not be represented at Strasbourg.

The electoral emblem of the SPA and its three allies—the flag of Sardinia with its four blindfolded Moors—is somehow symbolic of their cause.

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EEC steel production levels to be raised from July

BY GILES MERRITT IN BRUSSELS

PRESENT RESTRICTIONS on steel production are to be eased from July 1 and an announcement by the European Commission is expected soon.

The decision follows talks with representatives of the major EEC steel companies and marks the first substantial change in the Community's anti-crisis plan for the steel industry since self-discipline measures were agreed at the beginning of last year.

Details of new output levels are expected to be presented on June 15 by Viscount Etienne Davignon, the EEC's Industry Commissioner, when he meets steel producers and consumers grouped in the Consultative Committee for Steel.

The third quarter of the year is traditionally one of low output because of holidays, but the projected production level for the July-September period this year is between 34.2m tonnes and 34.3m tonnes, which compares with 29m tonnes in the similar quarter of 1978 and 34.35m tonnes in the first quarter of this year and 34.5m tonnes in the present quarter.

The producers have been insisting that unless output is permitted to increase in line with the improvement in demand that has been registered this year, a steel shortage could occur in the Community that would suck in imports.

The Commission is understood to have resisted attempts by the companies to raise the guidance prices set out under the Davignon plan for combatting the industry's crisis. The industry has argued that price guidelines set at the start of his year are often substantially below market prices and risk depressing them at a time when they are, at last, showing some buoyancy. But a steel price review is not expected until October 1.

It is expected that, by then, the Commission will be unable to resist pressure for a revision of prices, especially for merchant bars, reinforcing bars and wire rods.

Hard winter delays fall in West German jobless

BY ROGER BOYES IN BONN

THE NUMBER of unemployed in West Germany fell by 100,300 last month to 775,100, representing the lowest May jobless figure for five years.

The sharp drop, however, principally reflects strong seasonal factors: the particularly hard winter has delayed the fall in jobless which would normally have come in February and March.

None the less, the May unemployment rate, at 3.4 per cent (against 3.8 per cent in April), compares favourably with the 4 per cent rate recorded in May last year.

The total number of unemployed then was 912,997.

The average number of unemployed between January and May was 1,006,000, which is 102,000 better than for the same period last year.

Herr Josef Stingl, head of the Federal Labour Office, said he hoped the average this year could be held down to 900,000. Though pleased with the figures, he indicated that cyclical and seasonal factors were at the root of the improvement.

"The figure is still too high, there is still an unsatisfactory unemployment situation," he said.

The main problem appears to be lack of skilled workers. According to yesterday's figures, there are 331,000 vacant jobs, most of them for skilled workers not available from the pool of unemployed.

The strong demand for such workers was demonstrated by the fall in short-time working, by 23.9 per cent from the April figure to 93,100.

The Social Democrat Party yesterday welcomed the figures, particularly the 2.6 per cent fall in the number of young people out of work.

Italy faces national strike on June 19

By Christopher Bobinski in Czestochowa

THE DIFFICULT talks between unions and management over new labour contracts for the period 1979 to 1981 get under way here again this week, made no easier by the inconclusive result of last week-end's general election.

The biggest question mark hangs over the attitude that the unions will take following the setback of the Communists and so far comments from union leaders have been very cautious. Yesterday discussions began again on the most important of the contracts, covering Italy's 1.5m engineering and metalworkers and private sector employees.

Little help is to be expected from the politicians, who are now throwing their weight belatedly into the campaign for Sunday's European direct election vote, hitherto inevitably overshadowed by the general elections.

The Christian Democrats, once again confirmed as the country's largest party, have put off their own assessment of the election outcome until after the results of the European vote are known. Serious discussions for the formation of a government will not begin until the new parliament has met for the first time on June 20.

These key political negotiations however may well take place in a climate of serious labour unrest. Current plans are for the three biggest unions to hold a nationawide strike on June 19 in protest at the slow progress of the wage talks, while a major metalworkers' demonstration in Rome is also planned for around that time.

Separate trouble broke out yesterday at the giant Fiat car works in Turin, as an estimated 300 "autonomous" workers in the bodywork section ransacked offices and staged a sit-in to underline their grievances at the way the department was run.

Meanwhile, after a quiet initial reaction to the election results, the Milan bourse yesterday registered its own fears that the election has solved none of Italy's political problems, with a drop of 2.75 per cent in share prices.

Slim hope for U.S. Euromarket plan

BY DAVID MARSH

A WELL-PUBLICISED effort by the U.S. to bring in minimum reserves on Euromarket deposits now appears to stand little chance of being implemented. This is in spite of a general move by the major central banks to explore options for improving Euromarket control.

The U.S. proposal for central banks to impose minimum reserves on banks' Euromarket deposits was presented last month by Mr. William Miller, chairman of the Federal Reserve Board, at the regular monthly meeting of central bankers in Basle.

After the meeting, central banks set up three committees of experts under the auspices of the Bank for International Settlements to explore both Mr. Miller's proposal and other methods of bettering control of the Euromarket. The committees are expected to report in the autumn.

But the West German Bundesbank, originally one of the main proponents of minimum reserves on Euromarket deposits, now has major reservations about whether the scheme would be practicable.

It had been generally known that the Bank of England and the Swiss National Bank were fundamentally opposed to the idea, believing that such a wide-ranging scheme was unnecessary and would be difficult to implement.

The Bundesbank, although still firmly in favour of methods to bring the Euromarket under better control, is understood to accept one of the main arguments of the countries which are against the idea.

These countries point out that Germany and the U.S. are the only major countries which run a non-interest bearing minimum reserve system under which banks have to place a certain percentage of their deposits in interest-free accounts at the central bank.

West German officials feel it is hardly surprising if other central banks, with widely varying banking control mechanisms, oppose the transposition of the minimum reserve system to their banks' Eurocurrency deposits, not least because it would distort competition among banks in various countries.

All parties involved in the discussions accept that the minimum reserve proposal, which would apply to foreign branches and susbidiaries as well as to the parent banks, would have to be accepted by all the major central banks for it to be effective. The present disagreement thus makes it a non-starter.

Another suggestion for regulation, whereby central banks would agree that Eurocurrency lending by their countries' banks should not exceed a certain multiple of their capital, is felt by Bundesbank officials to have a better chance of being acceptable.

A prerequisite for this type of arrangement is already in place. Central banks have reached general agreement to compel their countries' banks to draw up balance sheets on a consolidated basis that would permit a general view of their world-wide activities.

Methods of regulating the Euromarket, which reached a gross size of \$860bn at the end of last year, have been the subject of increasingly intensive debate among central banks in recent months. Although differences of emphasis exist, all central banks now agree that not enough is known about the effects of the market on inflation and exchange rates—one of the subjects that the groups of experts have been asked to examine.

Sweden calls in oil majors for supply talks

BY WILLIAM DULLFORCE IN STOCKHOLM

THE SWEDISH Government has called Esso, BP, Shell and Texaco to talks tomorrow on how oil supplies to Sweden can be increased. The Cabinet is also expected to announce cuts in road speed limits

On Tuesday, the International Energy Agency declined to request its members to switch oil supplies to Sweden under the crisis mechanism agreed by its 20 member nations.

The IEA secretariat decided that the more than 7 per cent decline in oil imports to Sweden was due mainly to exceptional transport difficulties caused by the severe winter. It also noted that supplies had risen during the second quarter and that the shortfall for the first six months was expected to be no more than 4 per cent compared with the first half of 1978.

Despite pressure from the oil companies, the Government has so far allowed only a small increase in house heating oil, and a temporary price freeze on heavy fuel oil has been lifted.

The Government's dilemma is that, under the national incomes settlement, unions can call for wage compensation if the consumer price index rises by more than 5 per cent between January and October. It has already risen by over 3 per cent. The Government is also reluctant to allow price increases before the general election in September.

Mr. Curt Nicolin, chairman of the Swedish employers' association, said yesterday that the 40 per cent increase in the cost of imported oil this year would add SKr 4bn (£440m) to the current account deficit of SKr 6.3bn (£690m) anticipated in the revised national budget.

Energy policies 'inadequate for the 1980s'

BY DAVID WHITE IN PARIS

ENERGY policies in the industrialised world are inadequate for dealing with the problems of the 1980s. This is the main conclusion of a report by the International Energy Agency, the oil consumers' body set up after the 1973 crisis. It includes all the major Western countries except France.

The agency's review of 1978 policies, which does not take into account the additional shortfall caused by the Iranian revolution, predicts a notional gap of 2m barrels a day in oil supply in 1985, rising to 10.6m barrels in 1990.

The 20 IEA countries could require oil imports of 27m barrels per day in 1985, above the 26m-barrel target adopted by the agency's governing board. The amount of OPEC oil available to them is also reckoned at 27m barrels per day, but bunkering requirements reduced this figure to 25m.

Even if low economic growth helps to keep imports down, the IEA says: "The resulting approximate balance in the global oil markets could prove to be only temporary." The projections show a drop of 1m barrels per day in OPEC supplies in the second half of the decade, while IEA net imports are expected to rise by 5m b/d and other countries' imports by 2m b/d.

"Dramatically strengthened efforts" are needed to face this situation after 1985, the IEA says. It adds that the prospect of a notional shortfall threatens strong upward pressure on prices.

Alternative energy supplies and fuel switching could conceivably reduce the IEA group's needs by 3m or 4m b/d by 1990, but this would require carrying out all nuclear energy plans, a full commitment to increase production and use of coal and accelerated development of oil and gas output in North America and the North Sea.

Seven countries, including Ireland, Belgium and Switzerland, are criticised for failing to adopt significant conservation measures in 1978. Denmark, Sweden and Holland come out best in the conservation table, while Britain and the U.S. are counted among countries which have taken steps in the right direction but which could do more.

Britain is called on to set firmer policy objectives, to reinforce conservation measures in private housing and industry, and to raise petrol taxes.

In the U.S., Canada and Japan, conservation targets announced for 1985 may be difficult to achieve if efforts are not reinforced, the IEA says. It takes the U.S. to task for not making enough of a contribution to the overall target.

Conciliatory official line on Papal visit

By Christopher Bobinski

THE POLISH authorities are adopting a conciliatory attitude to the Pope's outspoken statements during his visit to his home country.

Mr. Stefan Staniszewski, head of the Foreign Ministry information department, told correspondents covering the Pope's stay in Czestochowa that the authorities were surprised at the extent of the political content in the Pope's sermons and comments, but "they are generally satisfied with the visit." He expressed satisfaction at the Pope's remarks for the need for peace and disarmament.

He also denied that any special difficulties had been put in the way of people wanting to travel to see the Pope, and said that "the authorities were pleased with the way that the Pope had been received by the people."

This line confirms statements by senior Polish church officials who have said the authorities have not so far contacted them regarding the contents of the Pope's speeches.

Underlying the authorities' conciliatory tone, appears to be relief at the lack of trouble. Indeed, the Mayor of Warsaw congratulated Bishop Kraszewski, head of the local organising committee, after the Pope's stay in the city "on the discipline of the people and on the efficiency of the church organisation."

Meanwhile, the Pope, who is beginning to show signs of fatigue, yesterday spent his last day in Czestochowa before travelling to Cracow.

He continues to make pointed comments. Noticing a sign held by young seminarians who had beend drafted into the army, he told them: "If the Pope had a sign, it would read, 'The Pope is with the soldier seminarists.'" This was a reference to the practice by the authorities of calling up seminarians despite the fact that they are exempted under Church-state agreements.

Later, speaking to students from the Catholic University at Lublin, the only institution of its kind in the Communist world—he said: "The danger for both Marxists and Christians in Poland is when people arrive at their beliefs through conformism and not conviction. It's best for both sides when they have people ready to take the risk of admitting their beliefs."

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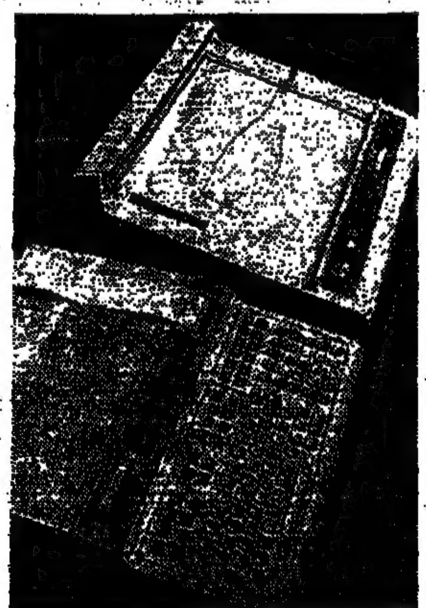

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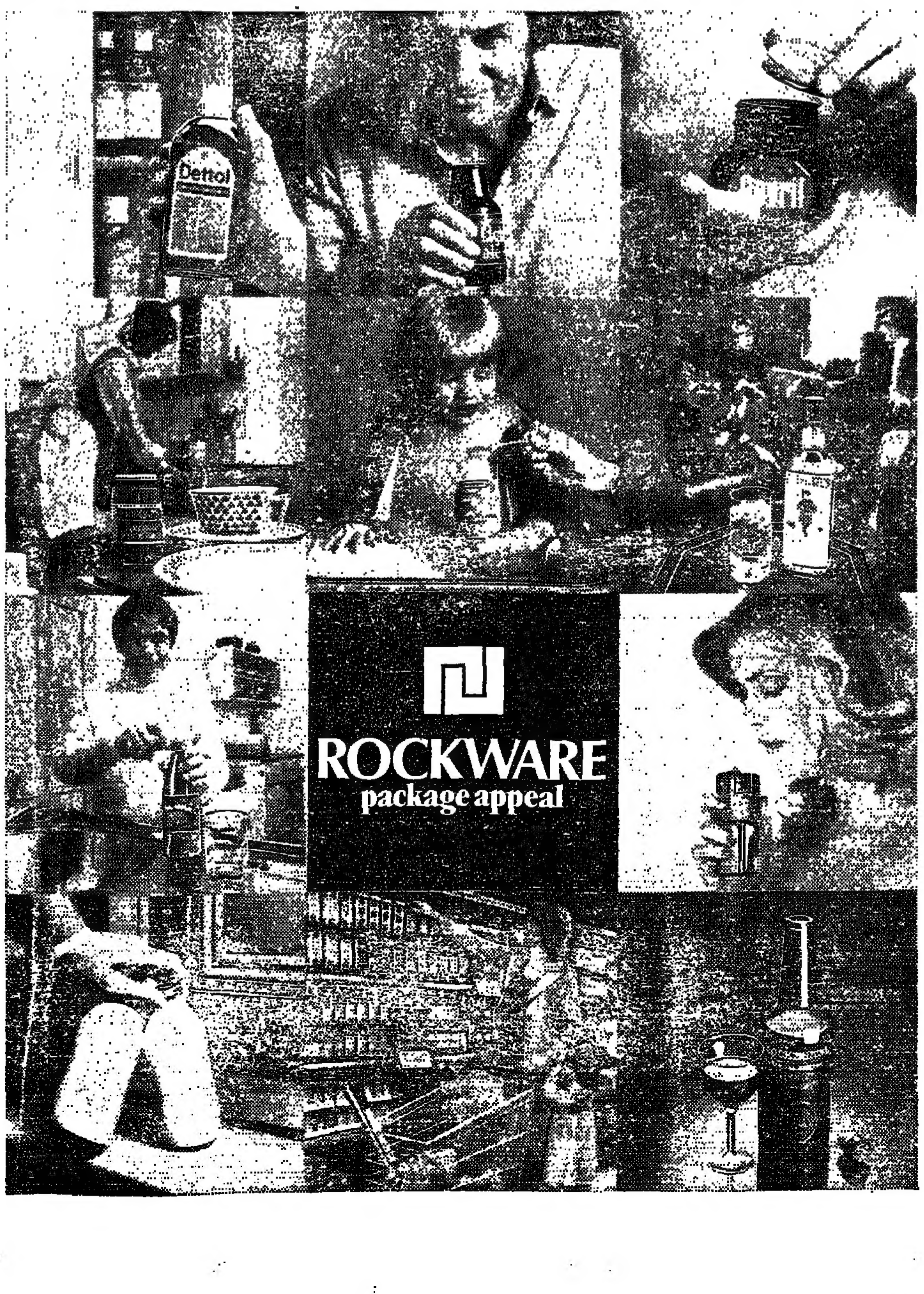

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Palestinians pull out from south Lebanon villages

BY IHSAN HIJAZI IN BEIRUT

PALESTINIAN GUERRILLAS and their Lebanese left-wing Moslem allies have begun to withdraw from parts of southern Lebanon in a move to head off further Israeli attacks.

The withdrawal was announced yesterday after a meeting by the combined military command of the Palestinians and their allies which was headed by Mr. Yassir Arafat, chairman of the Palestine Liberation organisation.

The decision is also intended to assist the Lebanese Government in its efforts to persuade the Security Council to extend the mandate of the United Nations peacekeeping forces which is due to expire in less than two weeks.

The Lebanese Left-wing forces belong to 13 groups which have been fighting on the side of the Palestinian guerrillas.

The Palestinian announcement said all guerrilla offices in the port of Tyre would be closed and Palestinian and Left-wing forces would withdraw from south Lebanese villages. The villages were not named, but Palestinians said that guerrilla positions would be moved to new sites at least two miles from the nearest Lebanese population centres.

The withdrawal is understood to follow a promise by Mr. Arafat to Dr. Salem al-Hoss, the Lebanese Prime Minister. Intensive efforts by the Government succeeded last Friday in helping the UN to arrange a ceasefire which ended six days of artillery duels between the Palestinian guerrillas and their allies, on one side, and Israel and Lebanese Christian militia on the other.

Tyre, about 30 miles south of Beirut, and a number of Lebanese villages, including several within the zone controlled by the UN force, were badly damaged in the bombardments. Thousands of civilian fled to safer ground.

Egypt voting in general election

BY ROGER MATTHEWS IN CAIRO

NEARLY 11m Egyptians are entitled to vote today in general elections which are claimed to be the first multi-party test of opinion since the 1952 revolution. The result, however, is a foregone conclusion with President Anwar Sadat's National Democratic Party certain to take an overwhelming majority of the 382 contested seats in the People's Assembly.

The real contest is between the NDP and the independents who form by far the largest block of candidates. Among more than 1,000 independents are an important number of people who oppose the present Government's policies but who cannot, due to electoral and party laws, fight under a party banner.

The treaty with Israel is, by official decree, not an issue, nor is a party allowed to fight a campaign that might be considered likely to disturb social peace or damage the essential unity of the nation. These matters, it is stated, have already been dealt with in referendums that secured more than 99 per cent support.

Under such constraints, only three parties, other than the NDP, are fighting the election and two, the Socialist Labour Party and the Liberal Socialist Party, have made pacts with the Government party. The third is the left-wing Unionist Progressive Party, which has been in constant trouble with the authorities since its formation and claims that many of its 31 candidates have been subject to police harassment.

The National Front Party which was baulked by bureaucratic delays in its attempts to be legalised before polling day, has seven known candidates in the field. They are determined opponents of President Sadat and publicly advocate that Islamic law should be the basis of all Egyptian legislation.

The elections are unlikely to lead to any significant changes in Egypt's domestic or external policies. President Sadat lays great stress on loyalty and despite protestations that he wants to see the generation that fought the 1973 war taking greater responsibility, most of the NDP candidates are all too familiar.

On the other hand, the elections might lead to the removal from Parliament of the 15 or so people who have vocally opposed the President. Those few who are willing to discuss their opposition to Mr. Sadat say that he called the elections two years before legally required to do so in order to capitalise on the peace treaty.

For the first time in modern Egyptian history women are being given a chance to play a more important legislative role. Some 30 seats in the assembly have been reserved for them and there are more than three times that number of candidates.

Most municipal results should be known tomorrow, but final figures are unlikely to be announced before Saturday.

Cairo and Tel Aviv travel agreement

By Our Cairo Correspondent

EGYPT AND Israel have reached a compromise agreement on alowing free travel between their two countries. Within probably a month citizens from either country will be able to travel to the other by air or sea, but the land border is to remain closed.

Egypt's Prime Minister, Mustapha Khalil said yesterday after two hours of talks with Israel's Foreign Minister, Moshe Dayan, that visa applications could be made via the respective foreign ministries or through consulates in third countries.

This is expected to mean that there will be a slow dribble of more adventurous tourists beginning towards the end of July, but that they will be subjected to the constraints both of bureaucracy and the limitation of available hotel rooms, especially in Cairo.

Israel had been pressing strongly for a full opening of borders in order to solidify the peace treaty, whereas Egypt has sought to make the full normalisation of relations at least partially conditional on progress in the negotiations over Palestinian autonomy on the occupied West Bank and Gaza Strip.

Neither country's national airline is planning to start flights between Cairo and Tel Aviv, but Dr. Khalil said applications from other international airlines would be considered.

Ghanaian leaders end curfew

By Martin Dickson

GHANA'S new military Government yesterday lifted the dusk-to-dawn curfew imposed after Monday's coup and said that Accra airport was open again for normal operations.

This followed the naming of a 10-man Armed Forces Revolutionary Committee, composed largely of junior officers and other ranks, to run the country. The chairman is Flight Lieutenant Jerry Rawlings, the half-British leader of the coup.

The Ghana News Agency reported that Brig. Neville Odartey-Wellington, commander of the army, was among several members of the armed forces killed in the take-over, which ousted the 11-month-old Government of Gen. Fred Akuffo. The fate of Gen. Akuffo was not disclosed.

The new rulers are insisting that they want Ghana to return to civilian rule as scheduled at the end of this month, following elections to be held on June 18.

Although it is remarkable that they should have staged a coup just two weeks before these elections, it seems increasingly likely that the motivation for the take-over was to bring to book senior members of the Akuffo Administration whom junior officers believed to be guilty of corruption or mismanagement

Broadcasts since the coup have spoken of "the plunder which some few army personnel and their cronies" had made out of the country and of "raping the coffers of the nation." In his first broadcast, Flt.-Lieut. Rawlings spoke of trying to restore the reputation of the country's armed forces.

In what could be part of an anti-corruption drive, there were unconfirmed reports from Accra yesterday of the arrest of several Lebanese and Asian businessmen.

As yet there appears no threat to British investment in Ghana, which was given a 1974 book vale of about £55m. British companies involved there include the United Africa Company, Cadburys and Blackwood Hodge.

Israelis expect more difficulty in buying oil

By David Lennon in Tel Aviv

ISRAEL EXPECTS to encounter increasing difficulty in obtaining oil and tough contingency plans for curtailing consumption have been prepared, according to Mr. Yitzhak Modai, Minister of Energy.

Since Iran, which supplied 60 per cent of Israel's needs, cut off supplies at the end of last year, the country has had only two regular sources: Mexico and the Alma field which Israel discovered in the Gulf of Suez.

Mr. Modai told Parliament that contrary to expectations a number of countries which Israel had hoped would undertake regular supplies had refused to do so. He was apparently referring to Britain and Norway.

The Suez field will be handed over to Egypt by the end of the year. Egypt has promised to sell oil from Alma to Israel, but the price and quantity has yet to be agreed.

After that, the Minister said, Israel would be at the mercy of suppliers regarding the price it would have to pay for about 50 per cent of its oil.

Mr. Modai said Israel must intensify the oil search within the country.

Meanwhile Mr. Menahem Begin, the Prime Minister, is facing a challenge to his position as chairman of the Herut Party. Mr. Shmuel Katz, who resigned last year as the Prime Minister's information adviser in protest at concessions to Egypt, said he did not expect to win election. His aim was to show that Mr. Begin's policies did not have the unanimous support of the party.

Bill to recover South African 'slush funds'

BY QUENTIN PEEL IN JOHANNESBURG

WITH POLITICAL controversy still raging over the resignation of Mr John Vorster, the South African State President, the South African government yesterday revealed plans to recover some of the millions spent by the former department of information on secret propaganda projects.

A bill to establish a "State Trust Board" specifically to recover all assets acquired from the R64m ($75.5m) secret funds, and to honour any obligations and liabilities entered into by the former department, was published in parliament by Mr Pik Botha, the Foreign Minister.

It is estimated at least R12m (US$14.2m) of the secret funds are still invested in some 30 companies and concerns in South Africa and overseas.

The biggest debts outstanding, according to the Erasmus Commission of inquiry which reported this week, include $6.35m "lost" in the U.S. from funds supplied to Mr John McGoff, a conservative American publisher. The commission reported that Mr McGoff bought the Sacramento Union newspaper in California, and a 50 per cent share in UPITN, the international television news agency, with South African funds, but that no legal documents existed proving South African government ownership.

Dr. Eschel Rhoodie, the former Information Secretary, also raised loans totalling some $7m to finance the take-over of Hortors, a South African printing and publishing company, by Mr. David Abramson and Mr. Stuart Pegg. The same two businessmen were involved in the attempted take-over of Morgan Grampian in London, using information funds, although they were eventually bought out by Trafalgar House.

In addition, more than R16m was channelled through various companies controlled by Mr. Jan van Zyl Alberts, a leading member of the Afrikaner business community.

The Department was also the owner of a string of properties in South Africa, Europe, and the U.S. through its front companies, including a mansion in Miami and a block of flats in Cape Town. The Trust Board will be instructed to liquidate the South African investments "in a manner least prejudical to the interests of the state."

Meanwhile the Erasmus Commission has come under gathering criticism for its conclusions, by Dr. Connie Mulder, the former Information Minister, among others. Supporters of Dr. Mulder, and of Mr. Vorster himself, claim that the Commission came to blatantly political, rather than objective and judicial, conclusions.

A major criticism is that Judge Erasmus condemned Mr. Vorster for his complicity in the secret projects using virtually the same evidence according to which he had "exonerated" him last December.

Raid on Kurds was Iraq spill-over

BY ANDREW WHITLEY IN TEHRAN

THE ATTACK by Iraqi aircraft on villages inside Iranian Kurdistan is almost certainly a spillover from fierce fighting underway for nearly three weeks inside Northern Iraq—part of a new offensive against Kurdish rebels by Baghdad Government forces.

Despite contradictory reports, the air raids appear to have been deliberate attacks on Kurdish villages believed to be harbouring or supporting rebels of the two main Kurdish factions. These are the Iraqi Kurdistan Democratic Party and Jalal Talabani's smaller left-wing Popular Union of Kurdistan (PUK).

For hundreds of miles along the Iran-Iraq border, the Kurds have virtually free movement. The absence of Iranian troops may have led the Iraqis to consider the border strip a "free fire" area.

Between two and four Sukhoi-7 ground-attack aircraft swept low through the mountainous valleys of Iraqi Kurdistan and crossed the border near the wine-making town of Sardasht in Iran, evading Iranian radar on the way.

Six villages were strafed with machine-gun fire, in one of which—Gurashir—eight people are reported to have died. Few houses were left undamaged.

A separate attack is reported to have been made at about the same time further south, on the village of Katyzard, near the Kurdish city of Sanandaj.

According to one local newspaper report, several people were killed. Both attacks took place about 10 miles, 90 seconds' flying time, inside Iran.

Iran has formally protested

to Iraq about the incidents, according to Pars, the official Iranian news agency. Curiously, the Iraqi Embassy in Tehran yesterday denied it had received a protest.

A spokesman for the Iraqi KDP, followers of the late Mullah Mustafa Barzani, said yesterday that none of their guerrillas, the "Pesh Mergha," were in the area.

But it is known that for months, the rebels have been taking sanctuary just inside the Iranian border.

A safe hinterland within Iran has become especially important for Iraq's Kurdish fighters in the past two months.

This is because of what the KDP claims is a military understanding between Baghdad and Ankara to co-operate in crushing, once and for all, the revival of dangerous autonomist sentiment among the Kurds.

A KDP official in close contact with the rebels' provisional leadership inside northern Iraq, told me that a major offensive using helicopters, parachute troops and elite ground forces, began against their positions on May 18.

The attacks were on Darakeh, Basya, Behdav — where the Kurds used to have a clandestine radio station—and Mirgesur in Arbil Province.

In two engagements in the first week, they claimed to have killed 77 Government soldiers in return for eight of their own dead.

Four civil engineers taken hostage on May 20, in a raid on a road construction camp at Goratu, in Arbil Province, apparently died when Government forces counter-attacked the Pesh Mergha positions the next day.

Among the dead engineers were two Egyptians and a Jordanian, named by the KDP as Mohammad Abdulkhaleq, Ahmad Mohammad Ismail, and Mahmoud Mohammad Morat. Their ages, passport numbers and places of birth were published by the rebels.

Although no independent evidence exists to support their allegations, the KDP official said that since the spring, regular contacts had taken place between Iraqi and Turkish security officials.

Because of this, Turkish troops had been reinforced along their side of Iraq's northern border.

Turkish spotter-aircraft patrolling the border are said to be passing on information about Kurdish rebel movements to the Iraqi authorities.

The KDP has, in the past, obtained most of its essential supplies, particularly flour and petrol, from friendly Kurdish towns inside Turkey.

But Turkish martial law authorities in the region have recently introduced new controls, involving ticket-purchase, to prevent supplies reaching the Iraqi rebels.

Small quantities of food are now reported to be smuggled into northern Iraq from Syria and even Baghdad, despite many dangers. But the bulk has clearly been coming from Iranian Kurdistan. Monday's air-raids were a warning to all concerned.

Schmidt 'opposed' to control of spot oil market

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

CHANCELLOR Helmut Schmidt was expected to tell President Jimmy Carter yesterday that West Germany remained opposed to the imposition of controls on the Rotterdam spot oil market.

Advisers in Herr Schmidt's party said before his White House luncheon with the President that the Chancellor did not feel that such action by the major industrialised countries was a suitable subject for the Tokyo economic summit later this month, and that in any case price controls on the spot market was both unnecessary and probably unworkable.

Instead, West Germany preferred some form of voluntary restraint, with governments asking the leading multinational oil companies to refrain from paying too high a price for spot oil. The Carter Administration has already requested this of the U.S. oil majors and it is understood that officials from the German Economics Ministry were engaged in similar talks with multinational oil executives in Bonn yesterday.

Late on Tuesday, M. Andre Giraud, the French Industry Minister, disclosed that Dr. Schlesinger, the U.S. Energy Secretary, had told him that the U.S. was prepared to reconsider its controversial $5 a barrel subsidy for the import of diesel and home heating oil, if curbs were placed on the Rotterdam market.

Dr. Schlesinger was due to hold a press conference yesterday morning at which he might have elaborated on the U.S. offer, but this was postponed.

The tentative Franco-American understanding appears

Chancellor Schmidt . . . voluntary restraint

to have taken the German party by surprise. The German intention had been to soften its denunciation of the subsidy, and Herr Schmidt was reported to have decided that he would raise the matter with the President only briefly.

This may be because West Germany has now had time to examine the rationale behind the U.S. action. On Tuesday Dr. Schlesinger apologised to M. Giraud for not having properly informed the European nations in advance of its move, but, now this has been done, the German side appears to have concluded that there are at least two sides to the question.

The U.S. position is that distillate products from Canada and the Caribbean were being drawn away from the traditional U.S. market by high spot prices and that the subsidy only enabled the U.S. to reverse this drift.

But the apparent U.S. receptiveness to the French initiative for controls on the spot market—which Germany had resisted in intra-EEC discussions ten days ago—may complicate matters for Herr Schmidt in his Washington talks. West Germany, out of necessity, it is argued, is a heavy purchaser of spot market oil, whereas French regulations prohibit the import of high cost oil.

Herr Schmidt was, however, expected to echo the French view that as well as adopting effective conservation measures the industrialised world must examine energy alternatives, principally coal and nuclear power.

In an interview with Time Magazine this week, he argued that the scarcity and price of crude oil, unless alleviated by greater use of coal and nuclear power, "can lead to wars."

His one day programme in Washington was crammed with high level, principally economic, meetings—with Treasury Secretary Blumenthal, Dr. Schlesinger, Dr. Brzezinski, the national security adviser, Mr. Harold Brown, the Defence Secretary, and Mr. Carter.

The Chancellor is also due to discuss the Strategic Arms Limitation Treaty between the U.S. and the Soviet Union and will emphasise West German support for the treaty as a prerequisite for avoiding another cold war.

19% fall in Big Three's car sales

BY STEWART FLEMING IN NEW YORK

IMPORTS took a record 24 per cent share of the U.S. car market in May as consumers stepped up their purchases of smaller, more fuel-efficient vehicles in the face of rising petrol prices and fuel shortages.

The increase in sales of imports, particularly of Japanese-manufactured vehicles, was in sharp contrast to the continued decline in sales of cars built by the big three U.S. manufacturers, General Motors, Ford and Chrysler. They suffered a combined 19 per cent decline in sales.

Buoyed up by the 23 per cent rise in sales of imported cars however, the overall market has rather stronger than had been anticipated.

Combined imported and domestic built car sales fell about 10 per cent to just over 1m units. Analysts estimated that May sales equate to an annual rate of around 11m units which compares with 11.3m units sold in 1978. But whereas imports accounted for 2m units last year, the May figures show that imports are now selling at a 2.7m annual rate.

While the latest data does suggest some weakening in the car market, there is no evidence of the severe slump in new car sales which some had feared.

This will provide some comfort to Wall Street, which has been disturbed by economic data suggesting that a recession is on the way, but it will be small comfort to the U.S. car companies.

A breakdown of the sales of the U.S. manufacturers shows clearly that consumers last month shied away from purchasing the larger (and more profitable) models which the U.S. industry offers. General Motors' Cadillac division suffered a 32.5 per cent decline in sales and its Buick division a 23.2 per cent fall. The company's overall sales were down 14.2 per cent.

Even American Motors, the smallest U.S. manufacturer, which specialises in producing smaller cars, suffered a 10 per cent sales decline. American Motors is also threatened by the severe slump in sales of trucks and vans. These vehicles have been the most profitable part of its business, but they are not fuel-efficient.

Analysts are predicting that if the trends established in May persist, then the already bloated stocks of big cars will increase and the companies will have to cut production schedules more sharply and offer more sales incentives.

U.S. CAR SALES

	May 1978	May 1979
General Motors	547,327	469,906
Ford	269,382	200,679
Chrysler	127,672	93,579
American Motors	18,604	16,738
Volkswagen (produced in U.S.)	—	16,106
Imports	207,200	254,500

The rise in the sales of imported models from 18 per cent in May 1978 to 24 per cent last month was heavily influenced by sales of Japanese cars. The three leading importers, all Japanese, showed strong sales gains with Toyota up 26.1 per cent, Datsun up 43.3 per cent and Honda up 32.5 per cent.

These trends will be particularly worrying to the home industry because they are so reminiscent of what happened in 1974 during the energy embargo. Since then, however, the U.S. manufacturers have been preparing to offer stiffer competition to foreign imports by placing greater emphasis on the marketing of their own more economic models. But so far the omens for success are not good.

Importers' share 'will drop'

By Kenneth Gooding, Motor Industry Correspondent

THE IMPORTERS' share of the U.S. passenger car market will drop from the current 24 per cent to around 15 per cent by 1985, according to studies by the American Imported Automotive Dealers' Association. They could expect no growth in unit sales for at least the next six years, predicted Mr. Bob McElwaine, president of the association.

However, because the total market will continue to show healthy growth, annual sales should remain at about the 2m level of the past two years. There was no reason to suspect that imports — currently costing $48bn a year—would drop in 1979.

It had always been assumed that when imports rose above 20 per cent they would trigger off calls for protective action from U.S. politicians and unions. But, Mr. McElwaine said, although there had been some grumbling, it would be difficult for the Government to take action during the current oil supply crisis because the association's statistics showed that the average fuel consumption of all imported cars was 32 mpg against an average of 12.9 mpg for all domestic cars.

One major reason imports would lose car markets share in the 1980s was that U.S. manufacturers are to cut back some "captive" imports. General Motors is to drop the car made by Isuzu in Japan and sold under the Opel badge: Ford is to drop Siesta and it seems likely that Chrysler would stop imports from Mitsubishi of Japan which it has been using to fill out its product line.

Other traditional importers could be expected to follow Volkswagen's example and set up manufacturing facilities in the U.S. with Honda of Japan being the obvious front runner.

Somoza declares a state of siege

BY HUGH O'SHAUGHNESSY

AS FIGHTING continues between the Nicaraguan National Guard and the Left-wing Sandinista guerrillas for control of Leon, the country's second city, amid a paralysing general strike, Gen. Anastasio Somoza, the president, has declared a state of siege. This gives his Government and troops wider powers to act against the guerrilla threat.

The capture by the Sandinistas on Tuesday of Col. Oscar Ruben Castaneda, the military attache of the Guatemalan embassy in Managua has fuelled speculation that both Guatemala and El Salvador could send troops to aid Gen. Somoza if he seems likely to be toppled.

With suggestions of foreign intervention rifein Nicaragua, it is reported that two leading members of the Group of Twelve pro-Sandinista political organisations have complained that U.S. Air Force Hercules aircraft landed military supplies for Gen. Somoza at the Caribbean port of Bluefields last week.

The Carter Administration has been pressing Gen. Somoza to resign but U.S. officials do not look with favour on a Sandinista takeover.

Meanwhile, Venezuela has warned the Nicaraguan Government against carrying out its threat to invade neighbouring Costa Rica where the Sandinistas maintain training camps.

Venezuela, which last year sent Canberra bombers to Costa Rica when a Nicaraguan invasion appeared imminent, has dispatched a senior general to San Jose, the Costa Rican capital.

Mexico companies to hold prices

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO'S INDUSTRIALISTS have privately told President Jose Lopez Partillo that they are prepared not to raise their prices until the end of the year and, if necessary, to reduce their profits to support the Government's anti-inflation campaign.

The move comes at a time when Mexico's unions are becoming increasingly dissatisfied with the pay policy, which has eroded workers' purchasing power in the last two years.

Inflation is running at an annual rate of 20 per cent, 7 per cent above the official target of 13 per cent, although the Government is now expecting a rate of 17 per cent as a result of the sharp price increases in the first five months of the year.

It is determined, however, to hold its wage rise ceiling at 13 per cent. In return, industrialists are expecting the Government to exercise more control over the money supply, public expenditure and especially the spending of state companies.

Industrialists say that only those companies facing financial difficulties will raise their prices. Last year most companies made healthy profits. The private sector estimates that the money supply last August was 38 per cent higher than in August, 1977, and the inflationary effects of this are now being felt.

Levesque proposes Quebec central bank

By Robert Gibbens in Montreal

MR. RENE LEVESQUE, Premier of Quebec, has defined the principles which stand behind his programme for Quebec's "sovereignty-association" with the rest of Canada. His Finance Minister, Mr. Jacques Parizeau, has said for instance that while there would be one currency, there would also be a Quebec central bank.

However, after millions of words and scores of resolutions passed at last weekend's Parti Quebecois naitonal convention in Quebec city, no one is any clearer how the principles would work in practice—nor how two central banks could control one currency.

As Senator Jean Marchand, one of the "three musketeers" from Quebec (including Pierre Trudeau) who went to join the Liberals in Ottawa just over a decade ago, said afterwards: "The Parti Quebecois is just working on strategy at this convention and nothing more. If it had a public opinion poll saying it could win the referendum, it would call it in no time, but they are in no position to win a referendum."

Policy

Mr. Levesque had said before the party congress began that it was the Quebec Government and the National Assembly which made policy and laws—not the party. Having got that off his chest, he and his chief Ministers, including Mr. Parizeau, were able once more to carry the day easily with their "option" for sovereignty-association.

There was opposition from the party's militant wing, and a radical, Mrs. Louise Harel, was elected vice-president of the party executive against Mr. Levesque's nominee, Mr. Pierre Renaud—who was accused of being too near the Government. But there never was any serious doubt that the "moderates," led by Mr. Levesque, Mr. Parizeau, and Mr. Claude Morin, the Inter-Governmental Affairs Minister, and the party's strategist, would carry the convention.

One or two radical resolutions were passed, such as one claiming an independent Quebec would take control of savings and profits, and saying that corporations doing business in Quebec would be forced to re-invest a "substantial" percentage of their savings in Quebec or be penalised.

Linguistic

Mr. Levesque insisted that Quebec wants to be treated as a "nation," in the sense of a linguistic group and to negotiate on an equal footing a new place in "association with Canada. Sovereignty-association was a "blue-print" which did not seek the rupture of Canada, but rather the creation of two "states" with common borders and a common currency. But it would also mean Quebec's exclusive right to legislate on all public or private matters, Mr. Levesque said. The right to levy all taxes and spend for public purposes, the right to protect public and private property (no Royal Canadian Mounted Police), control all its institutions, and make bilateral or multilateral external agreements.

Association would mean Quebec participating 50-50 in a special decision-making commission to act on issues of common interest, with disagreements referred to an association tribunal.

There would be a free flow of goods, though each party would protect its own farming industry, development incentives and preferential buying policies. There would be specific agreements negotiated on railways, interior navigation and air transport and common exterior tariffs. Mr. Levesque said there would be a common currency and freedom of capital, though there would be a "code of investments" designed to keep a percentage of profits within each territory. Each would have the right to regulate financial institutions.

Border

There would be no border police and free movement of citizens would be assured. Former federal properties would be transferred subject to negotiations of compensation. Division of the national debt would also be subject to negotiation.

Minorities would be provided with reciprocity of rights and services "compatible with circumstances prevailing on each side." There would be a modest-sized army in Quebec, a merchant navy, full co-operation with NATO and NORAD in defence and close relationships with Francophone countries, the U.S., the Commonwealth and developing countries, Mr. Levesque said.

Rather than a definition of sovereignty-association, such a package amounts to Mr. Levesque's "shopping basket."

This is the concept which Mr. Levesque managed to sell to the party convention and does not necessarily comprise what the government would seek in detail even if it won a referendum. Nevertheless, as pointed out by federalists several times, Mr. Levesque is proposing that the federal government participate in the break-up of confederation — which all three federal political parties are committed not to do.

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British fibre makers ask EEC to act against U.S.

BY RHYS DAVID

BRITAIN'S FIBRE producers are appealing to the EEC and the UK Government to take action against rapidly rising exports of American fibres and fibre products to Europe.

They are claiming that because of the dual pricing policy for energy in the U.S., American fibre producers are effectively in contravention of GATT regulations on fair competition.

The move, another indication of growing concern in Europe at the competitive edge which American industry may be securing because of cheaper oil prices, follows a surge in the past six months in U.S. exports of fibre, particularly to Britain.

Action to safeguard European producers should low energy prices in the U.S. begin to pose a threat, was promised by the EEC Council of Ministers when it accepted in April the GATT package earlier this year. The industry is in effect suggesting through its trade association, the British Man-made Fibres Federation (BMMF) that this assurance already needs to be implemented.

The fibre industry throughout Europe has been trying to sort out its own over-capacity problems—the result of higher imports of finished goods from developing countries—and was last year able to report a modest improvement in output over the depressed level of sales in 1977.

Producers in Britain registered a 10 per cent increase but the industrial disputes in the first quarter of this year sent production down again by 7 per cent compared with the final quarter of 1978.

Output and deliveries have improved since, but this recovery is being threatened, the industry is claiming, by the new aggressiveness of the American textile industry which, as well as benefiting from cheaper oil, has also been promised special assistance in promoting exports by the U.S. Government.

U.S. negotiators will soon begin another round of textile talks with the three major Asian textile exporters—Hong Kong, South Korea and Taiwan. AP-DJ reports from Taipei. Taiwanese officials said the U.S. will start the second round of negotiations in mid-July with Taiwan first, followed by Hong Kong and Korea.

Figures released by the BMMF show that imports of U.S. carpets, a major user of man-made fibre yarn, rose from 122 tonnes in 1977 to 2,500 tonnes in 1978 and reached 500 tonnes in January alone. Imports of polyester filament woven fabrics were up by 100 per cent and imports of polyester textured yarn by more than 1,000 per cent.

The fibre producers' case, which has also been sent to Comitextil, CIRFS and CEFIC, the European associations for textiles, fibres and chemicals respectively, points out that while American producers are enjoying a subsidy on energy costs, European prices are rising rapidly.

Oil prices generally have risen about 25 per cent this year as a result of world shortages and this is affecting the contract prices paid by the chemical companies for naphtha used to make the chemical intermediates which are then converted into fibre.

Many chemical producers are also dependent for some of their naphtha on the Rotterdam spot market where prices have risen over recent weeks to more than $300 a tonne compared with under $200 at the start of the year.

In the U.S., the lower price charged for indigenous oil, compared with imported oil, is reckoned to be producing a saving of $2 a barrel on the cost of crude at U.S. refineries and this is being passed on in the form of cheaper raw materials for U.S. fibre producers.

In addition, the energy subsidy of $5 a barrel for imported heating oil announced last week by President Carter is expected to enable refineries to hold down the costs of other oil products including chemical feed stocks.

The submission by fibre producers has not mentioned any specific moves it would like to see taken but the imposition of countervailing duty or quotas on U.S. fibre exports are among the possibilities the industry would like examined by the EEC. If the industry's case is accepted, however, the Commission is likely, in the first place, to call the Americans in for discussions.

ZAMBIA'S TRANSPORT PROBLEMS

New attempts to ease southern bottleneck

BY MICHAEL HOLMAN IN LUSAKA

ZAMBIAN TRAINS will from today cross into Zimbabwe Rhodesia over the Victoria Falls railway bridge in an attempt to halt the deterioration in performance on landlocked Zambia's vital southern route.

Cumbersome operating procedures at the bridge have been holding up traffic. Hitherto Zimbabwe Rhodesian and Zambian locomotives have shunted wagons onto the bridge for collection from the other side. Now Zambian crews will hand over the trucks at Victoria Falls and collect north bound traffic. It is hoped that as a result two trains instead of one will run each day in both directions.

A backlog of over 100,000 tonnes of Zambian goods are held at South African ports and inside Zimbabwe Rhodesia itself. This led to South African Railways (SAR) placing an embargo on Zambia-bound traffic on June 1, which will be lifted in the next few days if the Victoria Falls bottleneck eases.

Goods held up include 50,000 tonnes of maize, 15,000 tonnes of fertilisers, 25,000 tonnes of wheat and 1,000 tonnes of lubricants. Another 18,000 tonnes of wheat is due at South African ports in mid July.

Smooth functioning of the route is essential if Zambia is to maintain copper exports as well as essential imports. The Tanzania-Zambia railway (Tazara) operating the northern route to the Tanzanian port of Dar es Salaam is incapable of handling more than half Zambia's trade. An eight day strike in March, and a month long closure in April-May after line washaways, have added to already severe operating problems caused by shortages of wagons, spare parts, and mismanagement.

Difficulties on the southern route could adversely affect Zaire as well as Zambia. About two thirds of the copper production from mines in Shaba Province are exported through the South African port of East London, and the railway also brings in maize and other foodstuffs, coke and coal, and mining equipment.

But apart from the Victoria Falls bottleneck, there are other serious problems. Transport sources say that the turnround time for wagons in Zambia is over 60 days, instead of the six days which was originally thought feasible, and some 2,000 SAR wagons are said to be in Zambia.

A 120 mile section of the line from Livingstone to Mookamunga has been in poor condition because of inadequate maintenance, and trains have been running under weight restrictions and a speed limit of 10 mph.

Another hold up occurs at *the Kafue rail bridge, 30 miles* south of Lusaka. It was built in 1906 and structural weaknesses have led to a 12 mph speed restriction over the bridge.

Maintenance of Zambia railways generally is poor. It is five years behind schedule in sleeper replacements — over 200,000 are urgently needed—and permanent speed restrictions as low as 18 mph are in force on most stretches.

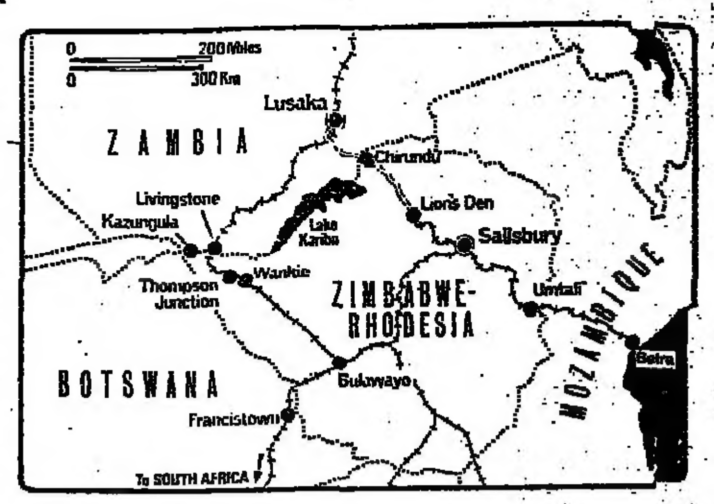
Complicating these problems is a shortage of over 1,000 wagons, while about a third of the locomotives are under repairs—a process delayed by lack of spares.

Traffic on the southern route has also been affected by security needs in Zimbabwe Rhodesia and trains have to be at Thomson Junction, near Wankie, by nightfall.

These difficulties have led to speculation that one of the road routes with Zimbabwe Rhodesia may have to be opened. The route via the border post of Chirundu, linking Lusaka and Salisbury, would be the most convenient. Road traffic could run to and from Lions Den, the Rhodesia Railways terminal on the railway from Salisbury.

However, the road runs through country infiltrated by guerrillas of the Zimbabwe African National Union, and guarding traffic would pose security problems. The alternative route is via Victoria Falls to Bulawayo, crossing country in which guerrillas of Mr. Nkomo's Zimbabwe African People's Union operate.

Underlying all the transport and supply issues is politics. Zambia's need for the southern route may conflict with President Kaunda's continued support for Mr. Nkomo, whose headquarters are in Lusaka. Over 10,000 ZAPU guerrillas are based in Zambia.



German steel hit by imports

BY GUY HAWTIN IN FRANKFURT

WEST GERMAN metal producers and steel working companies are complaining of a steep increase in imports. Last year imports accounted for most of the home market growth and importers now control nearly 25 per cent of the West German market.

The German Iron, Plate and Metal Fabricators Association and the Steel Working Association described demand last year as being "lively." But import competition was so stiff that *domestic sales went up by only* 1.2 per cent to DM 20bn (£5bn).

In contrast, sales of imported products rose by 11.7 per cent. Importers saw sales rise to DM 5.9bn. As a result, according to the two associations, the importers have increased their share of the West German domestic market three-fold in the past 20 years.

Metal fabrication and steel working is a major money earner for the Federal Republic. The industry's total sales last year amounted to DM 44bn ($23bn). Of this, some DM 32.6bn was attributable to the metal fabricators and DM 11.4bn to steel working concerns.

This year a slight economic upturn has improved the German industry's position a little. Orders were up by 4.5 per cent by the end of the first quarter compared with bookings 12 months earlier. Growth was fastest in the steel working sector where orders rose 11 per cent.

There is, however, considerable uncertainty about exports. Demand from important customers in Europe has been lacking and on top of this have been the troubles in Iran and the economic difficulties in Turkey.

Despite the domestic economic upturn, profits in the sector are lying some 30 per cent below the levels of 1969/70. At the same time, the workforce last year fell back by 1.2 per cent—less than demanded by production and productivity developments.

Meanwhile, the country's man-made fibres producers are reporting a considerable improvement in production capacity utilisation. *The price, however,* has been a heavy reduction in both the industry's labour force and its production capacity.

According to the Chemical Fibres Industry Association, capacity utilisation last year ran at about 80 per cent. At the same time, the labour force fell by 4,000 workers to 32,000.

Sir Yue Kong Pao, Chairman of Intertanko

Warning on ship build-up

By Lynton McLain

SIR YUE KONG PAO, chairman of the World-Wide Shipping Group of Hong Kong and of Intertanko, the independent tanker owners group, warned in London yesterday *that plans by third world* nations to share in bulk shipping trades would "destroy flexibility and lead to substantial cost increases."

He advocated the offer of financial aid and technological transfers but added that not all developing countries stood to gain by an expansion of their fleets.

UK consortium bids for Manila railway contract

BY DANIEL NELSON IN MANILA

A BRITISH consortium formed by British Rail and Metro Cammell is one of eight groups which have submitted detailed *proposals for a Pesos1bn (£65m)* light rail system in Manila. Finance for the BRE-Metro submission has been put together by four banks led by Morgan Grenfell.

The proposals are being considered by a committee which is expected to make recommendations to the Cabinet on the future of the project within two months. Also in the running are consortia from France, Japan, Italy, Germany and Belgium.

The 15-kilometre railway, which was discussed when Mr. Cecil Parkinson, Britain's Minister of State for Trade, met President Ferdinand Marcos here last week, originated in *the Manila transport plan* completed by Freeman Fox Associates in 1977.

The full proposal is for a 40 kilometre system with a peak capacity of 21,000 passengers an hour each way, rising to 26,000 eight years after the commencement of operations, at an average speed of 23 kph.

A Ministry of Works spokesman said yesterday it was hoped work would begin next year, with completion in 1983.

The Freeman Fox study put the internal rate of return on the project at 30 per cent and suggested it would break even after two years' operation, paying back capital costs out of revenue after five years.

AP-DJ adds from Kuala Lumpur: Malaysia has called on Britain to use its influence in the EEC to help ease certain controls imposed on Malaysia's traditional exports.

Datuk Lew Sip Hon, Malaysia's Deputy Trade and Industry Minister, said Britain, as a member of the EEC, could play a very important role in helping Malaysia safeguard exports including plywood, palm oil, pineapples and footwear. The request for Britain's help was raised during talks here with Mr. Cecil Parkinson, British Minister of State for Trade.

Swiss cancel construction project in Iran

ZURICH—Mobag Generalunternehmung has cancelled its DM 900m (£225m) contract with Iran for the construction off 6,000 apartments in Tehran.

Mobag said construction work slowed in October last year and was halted several days ago mainly because the company could not get work permits for non-Iranian personnel and because of non-payment of bills. Reuter

John Wicks writes: Exports of Swiss watches were lower by 7.8 per cent, at SwFr 930.4m (£259m) for the first four months compared with the corresponding 1978 period.

Deliveries of watches and watch movements dropped in volume terms by as much as 23.7 per cent to 14m units. This sharp decline is largely the result of falling exports of cheap pin-lever models.

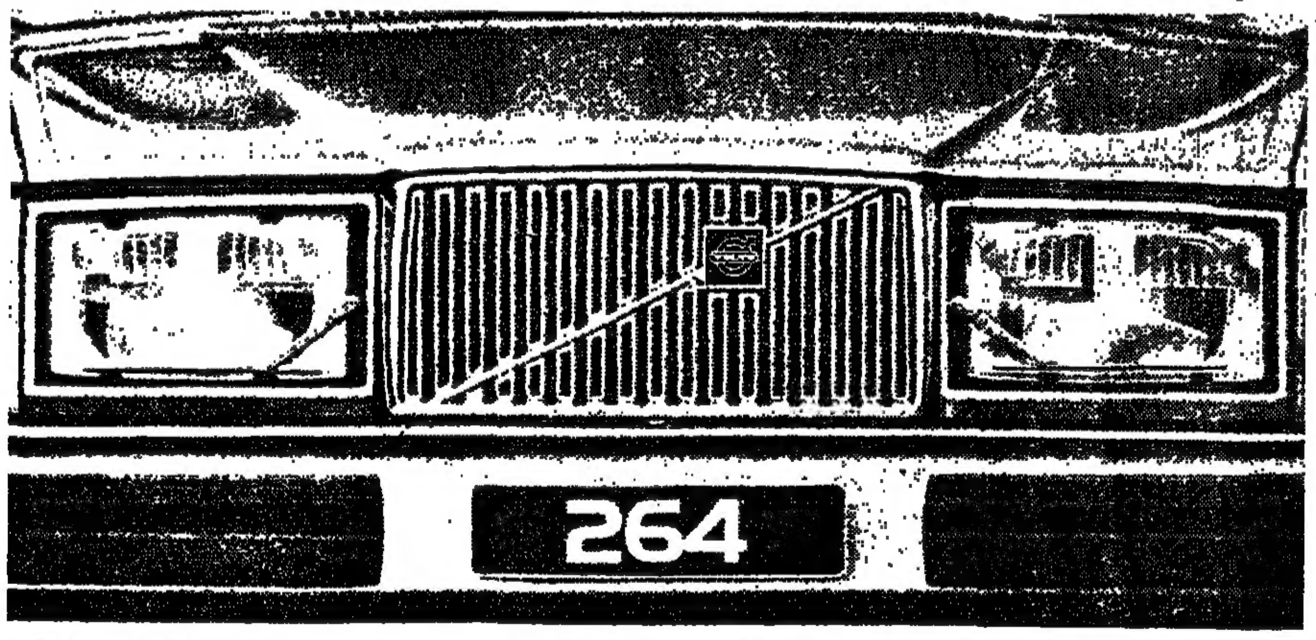
$82m loan for Davy Soviet deal

Financial Times Reporter

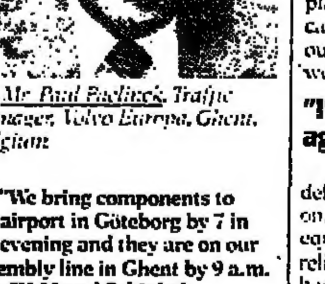
THE Export Credits Guarantee Department has guaranteed a $82.45m loan which Morgan Grenfell, acting on its own behalf and for a syndicate of banks, has made available to the Soviet bank for foreign trade. The other banks in the syndicate are the Bank of Scotland and Moscow Narodny Bank.

The loan will help finance the $97m contract awarded to Davy International (Oil and Chemicals) by Techmashimport for the supply of an alpha-olefins plant to be built at Nishnekamsk with commissioning scheduled for late 1984.

Ray Perman adds: Seven pressure vessels, part of a £175m contract won by Davy International (Oil and Chemicals) to *supply two methanol plants* to the USSR, are waiting on barges in the Clyde for a Russian tug to tow them to Siberia. The order was won two years ago and ability to meet the delivery date was essential since the vessels, weighing 1,400 tonnes have to be towed to Siberia in the short summer period when the route is ice free.



"KLM's Cargo Centre at Schiphol? I've never seen it. Why should I? It functions".



Mr. Paul Paelinck, Traffic Manager, Volvo Europa, Ghent, Belgium

"We bring components to the airport in Göteborg by 7 in the evening and they are on our assembly line in Ghent by 9 a.m. - via KLM and Schiphol.

We must have the components because to take a car out of production and bring it back later to fit a missing part.... that's a time-consuming and expensive process.

So, I stipulate that they must come via Schiphol. That cargo terminal is, in my opinion, a better terminal..., not complicated.

And once we book the parts on KLM's night flight, we can just program them as being already on the line for the next morning. That's the reliable service I get from KLM.

We've got our guarantees. We've made our promises. KLM helps us keep them."

"The paper flow is also better administrated..."

KLM's efficient cargo centre stands at the hub of a wide-ranging network. KLM flies to 70 countries around the world... and, of course, gives the same efficient service to thousands of planes of other airlines carrying cargo in and out of Schiphol each week.

"I'm often fighting against time..."

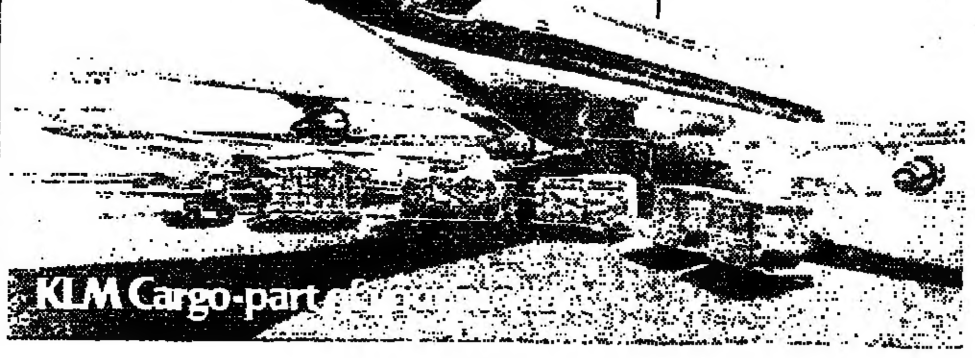
Nobody can afford delays. When the pressure's on, it's experience and equipment that add up to reliability. And KLM has experience, 60 years of it!

We put all our freight handling personnel through special training courses. Our equipment includes every kind of ULD, heavy-weight loading and storage systems and CARGOAL, our sophisticated computer that tracks and reports on every shipment's progress.

Car spares are a normal load for KLM. But ship's spares and huge construction parts are not unusual either. We've had all our 747 M's (that's the Combi) specially constructed to take outsized cargo and pallets up to 3 meters high! And all operations - storing, repacking, repalletising, trans-shipping - are done inside our enormous cargo centre. Under one roof and out of the weather.

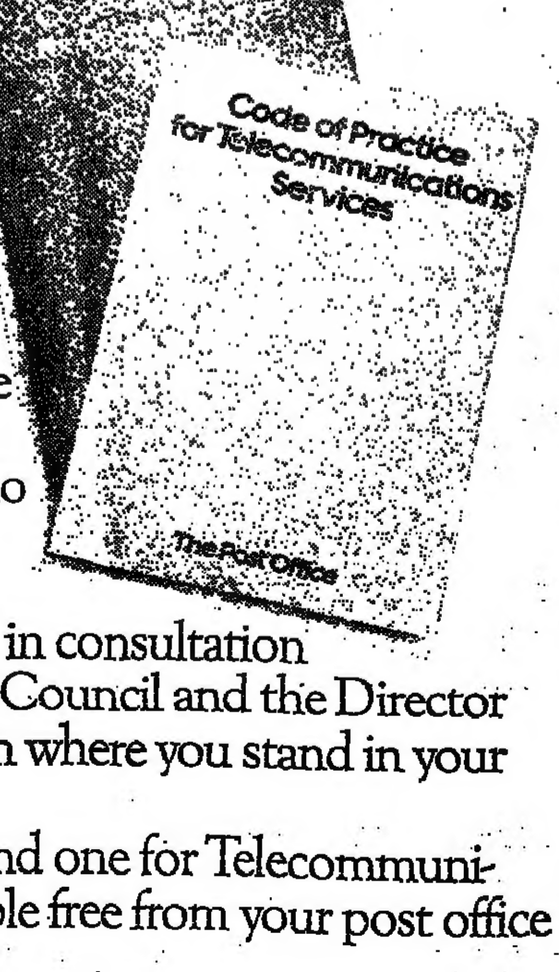
"I'm very satisfied with Schiphol..."

Mr. Paelinck hasn't been shipping through KLM's cargo centre at Schiphol for all of our 60 years, perhaps. But he has been trans-shipping for "years and years".... long enough to know how quickly, simply and reliably he can get his goods via KLM and Schiphol.



KLM CARGO

How you can find out where you stand in your dealings with the Post Office



These short Codes of Practice give you key information about Postal and Telecommunications services.

They also tell you how to make complaints and what we will do if things go wrong, as they inevitably do in systems dealing with about 75 million individual messages a day.

The codes have been prepared in consultation with the Post Office Users' National Council and the Director General of Fair Trading. They explain where you stand in your use of Post Office services.

There is one Code for Postal and one for Telecommunications services, and both are available free from your post office or Telephone Area Office.

The Post Office
KEEPING BRITAIN IN TOUCH

Further information on any of our products or services can be obtained from your Head Postmaster or Telephone General Manager

هكذا من الأصل

UK NEWS

Councils call cash summit

BY PAUL TAYLOR

THE ASSOCIATION of Metropolitan Authorities has called an emergency meeting to discuss the impact of the expected Budget curbs on local authority expenditure.

The meeting, which will take place "as soon after the Budget as possible," will provide the first real test of the metropolitan districts' attitude towards the Government's plans.

In the wake of the "request" to local authorities to freeze local government manpower requirements or face financial penalities, the Budget is expected to concentrate on two main areas for possible cuts.

These are the extent of Government funding for extra local government expenditure caused by rising prices and pay, and the level of the rate support grant to local authorities.

Even Conservative-controlled councils are worried about the impact of cuts on their finances and unemployment levels. Concern is particularly acute within the association, whose members employ 40 per cent of the 2m local government employees and account for about 80 per cent of the £4bn to £5bn spent annually on local services and transfer payments in their areas.

While the emergency meeting has been called at the request of both Conservative and Labour controlled metropolitan authorities, it will also provide a crucial test of the future of political allegiance of the association. The local authority elections last month left the association under the control of the Conservative authorities, but with the balance of power in six crucial authorities held by the Liberals. It now appears increasingly likely that the association will remain in Conservative hands.

Labour controlled authorities are likely to table motions severely critical of the Government's stance at the emergency meeting. These are expected to find some sympathy from the Conservative authorities.

In particular, the immediate concern of many metropolitan districts is that the Government, while allowing extra payments under the cash limit provisions to pay wage settlements agreed as a result of comparability studies, will base these on reduced manpower levels which may not have been met.

While most metropolitan authorities entered the financial year with substantial cash balances and rates set in anticipation of these wage settlements, the money is unlikely to be sufficient to cover any shortfall caused by a reduction in the amount of extra cash available from the Government to cover inflation.

In these circumstances, the large metropolitan authorities would have little option but to mount a campaign opposing the Government's cuts or be forced to make severe reductions in manpower or services.

Home-owners moving more often

BY MICHAEL CASSELL

HOME OWNERS are moving house more often, according to a survey by the Nationwide Building Society, which shows that 50 per cent move within six years, with about a third changing houses between two and four years after purchase.

The Nationwide, Britain's third biggest building society, says the trend, means the life of the typical mortgage has been reduced to about five and a half years. This is having an important effect on the flow of home loan finance.

Mortgages redeemed by Nationwide borrowers provide funds for about one third of the society's total lending, with the remainder coming from investors' funds and the interest credited. Most borrowers redeeming a mortgage need a new loan and this accounts for just over one quarter of the society's total lending.

The remaining three-quarters of the funds available go to new borrowers—two-thirds, first-time buyers and one-third owner occupiers.

The society believes that most people move to trade up to better accommodation and usually to within five miles of their existing property.

An increasing proportion of owner occupiers are trading up to terraced houses in urban areas which suggests that more now wish to live closer to city centres, probably because of the rising costs and other pressures involved in commuting.

According to the Nationwide, about a quarter of all moves are for work reasons—most involving moves of over 50 miles.

Mr. Leonard Williams, chief general manager of the Nationwide, said the survey showed that home ownership provided choice and flexibility, encouraging full use of the existing house stock and helping job mobility.

Fresh food prices up by 17.3% in year

By James McDonald

IN THE 12 months to March this year the Price Commission's index of fresh food prices rose by 17.3 per cent, compared with a 2.8 per cent fall in the previous 12 months. The main contributors to the increase were vegetables, meat, chickens and eggs.

The commission's sub-index for fruit and vegetables rose 30 per cent *over the period*, against a drop of 23 per cent in the previous year. This rise was due mainly to higher prices of potatoes, brussels sprouts, cabbages and cauliflowers. By contrast, fruit prices showed a slight fall.

The sub-index of carcase meat rose 15 per cent, compared with a 10 per cent rise in the previous 12 months, with beef prices rises mainly *responsible*.

In the first quarter of this year the margin on Danish bacon, expressed as a percentage of retail turnover, remained at the slightly higher level of 24 per cent shown in January. The actual value of the margins was the same as in the first quarter of 1978 but volume had decreased slightly and retail prices had risen faster than wholesale prices.

W. Press employees on £284,000 bail

BY MICHAEL CASSELL

ELEVEN employees of William Press, the engineering and construction group, who face charges of conspiring to defraud the Inland Revenue, were yesterday remanded on bail totalling £284,000 by Bow Street Magistrates' Court, London.

The men, including the group's managing director and finance director, had their overnight bail reduced from £426,000, a figure which the magistrate, Mr. William Robbins, said was too high.

Mr. Robbins also rejected a request from the prosecution for a six-month adjournment and set September 6 as the date for the next hearing. He said he was "not impressed" by the application for a six-month delay in the proceedings. An adjournment should only last three months, even if the prosecution was not ready to proceed at that time.

The defendants were all brought to Holborn police station in London on Tuesday and charged after a 15-month investigation by the Inland Revenue, assisted by Scotland Yard's company fraud squad, into alleged taxation offences involving payments to labour-only sub-contractors. The company has also been served with a writ.

Mr. Richard Thornhill, prosecuting, said "potential tax losses" of more than £2m were in question and asked for the defendants to be remanded on their overnight bail.

But Sir David Napley, representing Mr. Raymond Daniels, managing director Mr. Alan Gravelius, finance director, and the company itself, said the charges concerned "a vast public company" and that the defendants were "people of impeccable character."

The case would concern the question of whether a method of operating under the Finance Act was lawful or not. "None of the gentleman, as far as I know, stood to gain a penny."

Mr. Napley said the case, if committed for trial, was likely to take at least three months.

All the accused were ordered to surrender their passports, with the exception of Mr. Paul Wood, who, the court heard, travelled abroad up to three times a month on business.

The accused are: Raymond Daniels, managing director; Alan Gravelius, finance director; Cecil Nightingale, manager, special services department; Dennis Scarle, general manager, southern division; Paul Wood, group head office manager; David Gibson, Scottish unit manager; David Mills, contracts manager, Scotland; Andrew Hendrey, wage supervisor Scotland; Norman Sherwood, general manager, northern division and Ronald Reddy, financial controller, northern division.

Child-lock error in Renault handbook

By Lisa Wood

MORE THAN 21,000 British owners of cars in the Renault 20 and 30 ranges are to receive new safety instructions after a seven year-old girl fell out of a car fitted with a child-proof lock.

The child's father, Mr. Rodney Hirst, a Nottingham teacher, claims the incident happened because his Renault 20 handbook gave incorrect instructions on how to operate the lock. The book said the lock functioned when the lever was down, but it should have been kept up.

The girl, Karen, fell out of the car when a door burst open while it was going round a bend. She suffered injuries to her face and hands.

The Automobile Association is supporting Mr. Hirst. "This is potentially a dangerous—not to say misleading — error in the handbook," it said.

Renault UK admitted the handbooks for the Renault 20 and 30 were at fault. Dealers had been instructed to inform owners listed on computer records.

"This was the first and only such case we have heard about and it does not mean that the locks on the car are unsafe," said Renault.

Chrysler launches Dodge 50 trucks

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER UK's launch of a new range of light trucks today, fulfilling a pledge it gave to the Government in 1975 when it injected £162m into the company to save it from collapse.

Chrysler promised to introduce a replacement for the Dodge Walk-Thru and Bantam models by 1979. In fact it has gone further by offering trucks in the 6.5 to 7.5 tonnes level where there was a gap.

Called the Dodge 50 Series, the trucks are available in weights between 3½ and 7½ tonnes. Chrysler's Dodge Trucks subsidiary expects to sell about 2,500 during the rest of this year.

And Mr. Cyril Corke, sales director, expects the company to capture 20 per cent of the UK market for trucks in the weight range—currently running at 21,000 a year—by 1983.

Dodge says the £15m has been spent on the truck complex (four locations at Luton and Dunstable) over the past three years.

The most significant part of the company's investment was £4.5m for a new paint shop to provide considerable improvement in the truck's finish.

In spite of its large investment and the fact that the new trucks give Dodge a much more competitive range, Chrysler UK's new owner, PSA Peugeot-Citroen of France, has not revealed its attitude to the commercial vehicle side of the Chrysler Europe business which it took over in January.

The Dodge Truck plants are based in the UK, one of Europe's biggest truck markets, and in Spain, one of the fastest-growing.

But with an output of about 14,200 trucks of over four tonnes compared with, for example, the 130,300 produced by Daimler-Benz and 85,100 by IVECO (the Fiat dominated group), Dodge is relatively weak because volume means strength in the trucks industry.

Designed "from the ground up," partly with the help of Chrysler in the U.S. and with 75 per cent new components, the series replaces the Walk-Thru models but covers the whole light truck spectrum, for every type of vehicle including van, platform, tipper, municipal vehicle, ambulance and motor caravan.

Its introduction, complementing the Commandos which appeared five years ago and the heavyweight 300 Series, means that Dodge can claim to have a modern truck for every use—from 3.5 tonnes to 38 tonnes.

During 1979 Dodge at Dunstable will produce about 7,500 of the 100 Series models, and 10,000 Dodge Spacevans as well as the 2,500 50 Series trucks.

Vickers wins £1m 'rebate' from Westland

VICKERS SHIPBUILDING Group the nationalised successors of Vickers, the Barrow shipbuilders, yesterday won a High Court ruling that it is entitled to an estimated £1m "rebate" from West Country-based Westland Helicopters.

Mr Justice Donaldson, in a resreved judgment, decided that Westland, in supplying Vickers with two Lynx helicopters at a total cost of £1.7m for use with two Sea Dart frigates built by them for the Argentine Navy, was in breach of an earlier contract with Vickers to supply the machines at a cost of £180,000 each.

It was "a cautionary tale about an export venture which went wrong," said the judge. "It tells of the bill which rose from £300,000 to £1.7m. Both parties are to some extent innocent victims. The real villain is inflation."

His duty was to decide whether Vickers was right in claiming that, under a contract made in 1971, Westland agreed to provide the helicopters at the lower price, or whether Westland was correct in saying that no binding contract was made at that time.

The helicopters had eventually been suppplied at the higher figure under a new and different contract made in 1976, said the judge. If his ruling was right, Vickers was entitled to recover the difference in price —a "refund" of over £1m.

The judge, who had been asked to decide the "contract or not" point as a preliminary to any full hearing of Vickers' damages claim, gave Westland leave to appeal.

Mr. David Grace, for Vickers, told him that it seemed almost certain that the parties would be able to settle the issue of damages, if any, without a further court hearing.

The judge said he was satisfied that by January 6, 1971, at the latest, there was a binding contract between Vickers and Westland for the supply of the helicopters for £180,000 each. Both parties were then committed to each other.

There was a ratified master contract between Vickers and the Argentine Navy for the supply of the frigates and the helicopters. There had been no misrepresentation of the facts by Vickers to Westland and, as a matter of principle, Vickers was under no obligation to attempt to re-negotiate its contract with the Argentine Navy to take account of rising costs.

One-parent pupils lag

BY PAUL TAYLOR

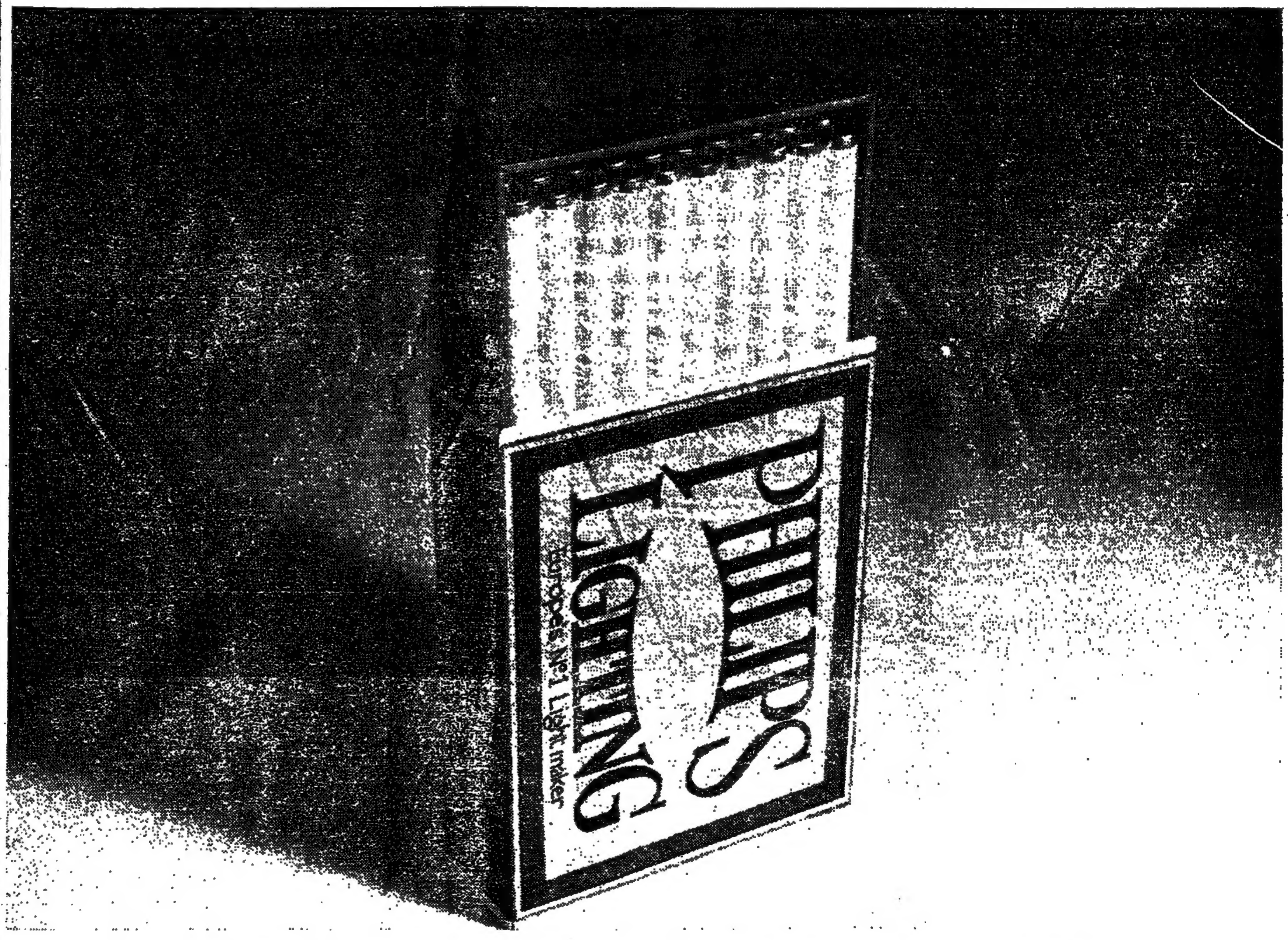
CHILDREN in one-parent families do less well at school than children living with both parents, says a report published yesterday by the National Children's Bureau.

However, the bureau's report, based on a long-term research programme, suggests that the results are more likely to stem from the family's low income than the fact that the child is living with just one parent.

The research is based on a continuing study of all the children born in one week of March 1958 in England, Scotland and Wales. It shows that although children in one-parent families had lower overall scores in reading and mathematics at 16 than those with both parents, the differences were cancelled out when compared with children in similar social and financial circumstances.

PHILIPS

Simply years ahead

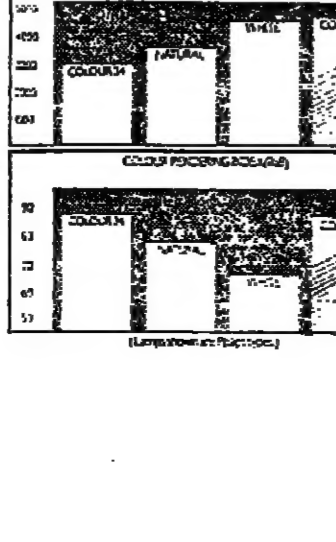


Ask us for a light, and we could cut your lighting electricity bill by 1/3

Until Philips introduced Colour 84, high light-output fluorescent lighting gave poor colour rendering, and tubes which gave faithful colour were poor in light output.

Indifferent lighting standards–whether in terms of level of light or colour values–are bad for productivity, for staff morale, and for showing goods to best effect in a store.

The break-through came with Colour 84. Using a new generation of fluorescent powders, derived from their knowledge of colour TV. Philips developed a unique combination of high light output and high colour rendering.



NO SELLING UNDER FALSE COLOURS

Shopkeepers like Colour 84, because nobody buys a blush pink cardigan only to find it's old rose when they get it home. Office managers like it, because it's easier on the eyes. And accountants like it because it cuts lighting electricity bills by up to 1/3.

Colour 84 is typical of Philips' attitude to efficiency. Don't just make something more economical. Make it demonstrably *better*.

And this tenet is followed faithfully in every area of business efficiency in which Philips are involved.

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For example, Philips' range of data processing equipment leads the world in its ease of use and the minimal demands it makes on staff training.

And Philips have also perfected an electronic switchboard which *automatically* transfers unanswered calls to pre-arranged alternative extensions. Putting an end to "Sorry to keep you waiting, caller" must be the greatest contribution to better tempers in business this decade.

And have you seen Philips' Word Processor with the 40,000-word vocabulary that sets your secretary free from the boring repetitive part of her job, so she has more time to be a real secretary?

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Philips are so big in so many fields, it's easy to overlook the fact that they are very big in business efficiency.

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And, putting our money where our mouth is, Philips spend over £450M a year world-wide on research to maintain this leadership.

"Simply Years Ahead" is the claim at the top of this advertisement.

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PHILIPS

A whole new world of knowledge in business efficiency.

British Rail makes last-minute bid to minimise cuts

BY KEVIN DONE, ENERGY CORRESPONDENT

BRITISH RAIL has postponed for 24 hours the announcement of cuts in diesel train passenger services. It is holding last-minute talks with Shell and Esso, its major oil suppliers, to try to increase its allocation of diesel fuel for June.

Both Shell and Esso began strict rationing of oil product supplies to all customers with effect from the beginning of June. This is due to a shortfall in their crude oil supplies and because of the need to re-build badly depleted stocks in time for next winter.

British Rail said earlier this week that it would have to cut diesel train passenger services by 7 per cent from next Monday following a reduction of 7.3 per cent in its fuel supplies. But it is now asking the oil companies to be treated as a priority user in the hope of minimising cuts in services.

The oil companies are trying to ensure that deliveries to British Rail will be smooth, which could reduce the need for cuts. They may also make more fuel available during June if this allows British Rail to phase in the curtailment of services.

In the face of the Government's apparent plan to leave rationing schemes to the companies, the oil industry is looking for a lead from the public sector in cutting oil consumption. The suppliers appear to believe that some cuts in rail services are inevitable.

Transport union leaders are anxious, however, that some priority should be given to rail services and other public sector transport. Mr. Sidney Weighell, the general secretary of the National Union of Railwaymen, met Mr. Norman Fowler, the Transport Minister, yesterday to seek guarantees on fuel supplies. Mr. Fowler will also have talks on fuel supplies in the next two weeks with the TUC Transport Industries Committee.

Mr. Robert Kilroy-Silk, Labour MP for Ormskirk, yesterday called on the Government to introduce co-ordinated oil product rationing "as a matter of great urgency." This would guarantee supplies to priority groups, including ambulances, fire brigades and police.

On Merseyside, the ambulance service yesterday took delivery of 1,500 gallons of petrol, enough to keep it going until the weekend only with stringent economies. The fuel shortage had caused the virtual suspension of the service during the last two days.

Mr. Peter Browning, chief education officer of Bedfordshire, warned that many schools and colleges could face temporary closures next winter because of difficulties in obtaining heating oil supplies.

Bus services in several areas of the country are likely to be trimmed in the more immediate future as the cuts in diesel supplies take effect.

World airlines out to stop me—Laker

BY LYNTON McLAIN

SIR FREDDIE LAKER yesterday launched an attack on world airlines for trying to "kill off" his Skytrain service.

His attack came on the first day of Sir Freddie's application to the Civil Aviation Authority to remove all restrictions on Skytrain, which carried nearly 250,000 passengers last year. If accepted this would make Laker Airways a scheduled air passenger carrier in direct competition with British Airways and other airlines on the North Atlantic.

Sir Freddie said two of the airlines, Pan Am and Trans World Airways, may have flouted U.S. anti-trust laws in their "attack" on Skytrain. He would sue the airlines if necessary in the U.S. courts.

Pan Am and TWA had applied their low fares "only on routes where they faced competition from Laker Airways," he said.

Last night TWA said it had offered competitive fares in many markets for many years. "It is absolutely ludicrous to suggest that we have ever attacked anybody," the airline said. Pan Am was not available for comment.

Laker wanted to be in a position to return the "attack," but the current restrictions on Skytrain operations stopped this, Sir Freddie said.

No frills

Skytrain is a no-frills, no reservations service, offering a £59 single air fare between Gatwick Airport, London and New York. The first flight in September 1977 was followed last year by a Skytrain service to Los Angeles. But Sir Freddie said this is now losing "quite a lot of money."

But the terms of his operating licence stop Sir Freddie offering any other types of ticket or service. He told the hearing that the restrictions meant he was "unable to get a truly economic fare, to combat the predatory activities of aPn Am, TWA or British Airways."

He now wants the Civil Aviation Authority to amend its licence to allow a full forward booking service, the right to choose new fare structures, to carry cargo and to compete as other airlines do on the North Atlantic.

The remodelled Skytrain, if accepted by the authority, would offer normal scheduled services, but possibility at cheaper rates than British Airways and other carriers. Sir Freddie said at least 40 per cent of passengers would still prefer to use the standard Skytrain system, with no reservations.

British Airways and British Caledonian both objected to Laker Airways' application. Only British Caledonian appeared at the hearing yesterday. It said that the application to remove restrictions was a denial of the basic Skytrain concept that "someone can turn up and get the next available seat."

The hearing continues today.

'Expand overseas markets scheme'

By Hazel Duffy

THE GOVERNMENT scheme for helping companies to set up facilities in new overseas markets, known as MEGS, should be expanded to enable larger companies to make use of it, says the National Economic Development Office.

The NEDO sector working party for the construction equipment and mobile cranes industry recommends that the service should cover market entry cost of £1m per year for five years. A survey among companies in the industry showed that MEGS did not meet their requirements because it excludes the financing of stocks, is too small for many firms in the sector, and the terms of repayment are too quick in relation to possible cash flow.

The working party report says that the scheme should be geared to helping companies to make a big impact in major world markets such as the U.S. Several improvements in the cover offered by the ECGD are also recommended by the working party as a means of increasing export competitiveness.

Export sales by the UK industry, have been expanding in the past couple of years, but the share of imports in the UK market has also been growing steadily and has now exceeded 60 per cent. While the UK market for construction equipment declined by 7 per cent in 1977, company sales were down by 24 per cent.

Productivity in the industry has also declined as the number of employees has expanded in spite of falling sales. Total employment at 42,900 in 1977 was a record for the industry. The report publishes the findings of a steering group which was appointed to look into productivity, using the industry in the U.S. as a basis for comparison.

A number of recommendations are made for further study by employers and trade unions in the industry, including the development of more comprehensive agreements.

Progress Report, 1979; NEDO Books, 1, Steel House, 11, Tothill Street, London SW1H 9LH.

Electricity '20% nuclear by 1981'

BY JOHN LLOYD

NUCLEAR POWER will provide 20 per cent of the electricity generated in the UK by 1981, according to Sir Francis Tombs, chairman of the Electricity Council.

Sir Francis told the Institution of Mechanical Engineers in London yesterday that nuclear power was cheaper than generation by coal or by oil.

"I expect that it will continue to be cheaper in the years ahead, and that the gap will widen as fuel prices increase."

Generating capacity, he said, was "solidly based" on British coal for the "immediate years ahead."

The contribution from nuclear power would, however, increase, "building on the firm foundation of safety which has come from the most thorough engineering."

Heat pumps, Sir Francis said, using internal sources of heat, were an effective way of conserving energy, though the technique had gained more general acceptance in the U.S. and in Europe than so far in the UK.

Internal source heat pumps and heat recovery systems, however, were now established, and proven plant was available. Heat recovery systems which produced worthwhile savings in oil and gas were being applied in industrial processes and in commercial buildings.

Mrs. Thatcher plans alternative energy

BY DAVID FISHLOCK, SCIENCE EDITOR

THE PRIME MINISTER, just back from a visit to the French nuclear fuel factory at Tricastin, the biggest in Europe, said that Britain must use its North Sea oil to finance an alternative energy industry so it could pay its way in the world once the oil began to run out.

Mrs. Thatcher made it plain at a Conservative Party European election Press conference yesterday that she was deeply impressed by French efforts to obtain 50 per cent of their electricity from nuclear power stations by 1985, so reducing the country's present heavy dependence on imported oil for electricity generation.

At present France is obtaining about 13 per cent of its electricity from nuclear energy, the same proportion as Britain. But it is expecting to commission five new nuclear plants a year until the mid-1980s.

Britain's official expectations for new non-nuclear alternative energy sources, such as winds, waves and tides, remain no higher than the equivalent of 10m tonnes of coal a year by the year 2000. Britain has ordered two new nuclear power stations this year of the advanced gas-cooled reactor type, for completion in 1985-86, the first since 1971.

The new team led by Mr. David Howell, Secretary for Energy, believes that five years of debate about nuclear policy must now give way to firm decisions. The Prime Minister is believed to have been persuaded of the need for more nuclear energy.

Foremost among the nuclear decision required, however, is the future shape of the National Nuclear Corporation, as the Government's chosen instrument for reactor design and construction.

The Government will also be expected to decide whether the nuclear expansion plans announced early in 1978 are adequate as a base for the alternative energy industry foreseen by Mrs. Thatcher.

This will re-open the question of whether Britain should continue to build advanced gas-cooled reactors, or should import a light water reactor design, likely to be cheaper and quicker to construct. The Government is still awaiting, however, the electricity supply industry's choice of design which was delayed by the U.S. reactor accident in March.

A third nuclear decision, long awaited by the UK Atomic Energy Authority, is Government approval for a demonstration fast breeder type of reactor. Here the Government is awaiting the electricity supply industry's views on how and where it should be mounted, and whether Britain should collaborate with the French who are already well ahead with one.

Airbus sets new record

By Michael Donne, Aerospace Correspondent

AIR FRANCE yesterday set a new commercial record for the 214-mile flight between London-Heathrow and Paris-Charles de Gaulle airports.

A European A300 Airbus took 31 minues 31 seconds for the trip, breaking the previous 37 minute record set many years ago by an Air France Caravelle jet flying between Gatwick and Orly.

But to-day's flight was immediately nullified, because the 240 passengers had to wait 45 minutes for their baggage in the reclaim hall at Paris.

Taking into account the time involved at each end of the journey for check-in and security procedures, the overall time for the journey was more than four hours.

The exercise demonstrated that while airlines may work hard to get their passengers to their destinations swiftly, airports still have a long way to go to ensure that the airlines' efforts are not wasted.

Prestcold fails to find buyer

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MORE THAN 900 jobs in the Glasgow area seem destined to disappear following the decision by the Scottish Office not to extend beyond today the temporary assistance that it has been giving to the two Prestcold factories in Hillington.

Senior Prestcold management met union officials yesterday at the London offices of BL (owners of Prestcold). The officials were told that the company and the Scottish Office had been trying to find a buyer for the factories — but although several companies had expressed interest, none had so far come up with any firm proposals.

The factories could still be granted a reprieve, however, if a buyer is found during the statutory 90-day consultation period which will start when redundancy notices are sent out.

The notices were due to be sent out just before Easter, but the Labour Government intervened by instructing the National Enterprise Board to take over the whole Prestcold group including the Scottish factories.

A draft directive was sent to the NEB but, not surprisingly, the matter has not been followed up by the new Government. In the meantime the Scottish Office has been financing the losses being made at the two factories.

The NEB has all along supported the decision by Prestcold Holdings, which has been backed by BL, that the group is not commercially viable with the inclusion of the Scottish factories. Discussions are now being held with potential buyers for the rest of Prestcold.

The two factories in Scotland employ around 900 people making compressors for domestic refrigerators and freezers, and valves and refrigeration components. Last week, Mr. Ian McCallum, managing director of Lothian Electric Motors (Lemac), which supplies motors to Prestcold's Scottish plants, said that at least 150 Lemac employees will have to be made redundant if Prestcold pulls out of Scotland. Lemac is owned by the Scottish Development Agency.

● About 3,000 jobs will be lost on Tyneside if British Shipbuilders goes ahead with its rationalisation programme, says a report by Newcastle-upon-Tyne City Council.

The council says, on the basis that closures will take place in the older yards, Walker and Neptune yards are in most doubt.

The report, prepared by council planning officials, says any rundown will have the biggest effect on the east side of the city, where most of the shipyard workers live. It warns that the impact of redundancies would be devastating.

In addition to the social consequences, the officials say that major cuts are likely to cost up to £40m in welfare payments and loss of taxes over the next five years. Copies of the report are going to all Northern MPs and the Government.

British Shipbuilders yesterday denied that the two Newcastle yards mentioned in the report had not received investment. Both had had hundreds of thousands of pounds spent on them, said an official.

China's Hua to visit Britain in October

BY DAVID HOUSEGO

CHAIRMAN HUA GUOFENG, the Chinese leader, is to visit Britain for five days beginning October 29, the Foreign Office confirmed yesterday.

The visit will follow similar stops in Paris and Bonn and is the first tour of Western Europe by a Chinese communist leader.

No itinerary has been worked out but the Government is likely to attach great importance to the visit because of the potential commercial ties with China and because of Mrs. Thatcher's hostile view of the Soviet Union.

By October, if not before, the Chinese leadership should be in a stronger position to sign contracts for capital goods imports that have been delayed by the pruning of the country's ambitious modernisation programme.

Britain signed an indicative £7bn economic co-operation agreement with China in March during the visit of Mr. Eric Varley, the former Industry Secretary, to Peking.

Among the sectors in which Britain hopes to make equipment sales to China are power generation, coal mining, offshore oil, steel, shipbuilding and aerospace.

Companies negotiating with the Chinese for substantial contracts are GEC, Northern Engineering Industries, the British Steel Corporation, Davy International and the National Coal Board. About 700 British businessmen are in Peking, for a major exhibition of energy equipment.

The Chinese are still interested in purchasing the Harrier jump jet and other sophisticated military equipment. The Labour Government considered that sales of the Harrier would have to be accompanied by substantial purchases of capital goods.

The major purpose of Chairman Hua's visit for the Chinese will be to strengthen ties with Western Europe which China sees as important in offsetting the influence of the Soviet Union. Chairman Hua's tour is part of a series of visits by Chinese leaders to establish a firmer place for China in the world community.

Chairman Hua was invited to visit Britain last year after he had indicated to a French mission to Peking he would like to visit Western Europe including Britain.

Design sells for £6,500

AN AUCTION of ballet and theatre material at Sotheby's yesterday totalled £137,029 with a top price of £6,500 from Zervudacchi for a pencil and watercolour by Leom Bakst, a design for The Sleeping Princess dated 1921. Ward Jackson paid £5,000 for a design for Chout by Mikail Larionov while Goldschmidt acquired a design for Renard by the same artist for £4,600. The Victoria and Albert Museum bought 32 Picasso prints of designs for Le Tricorne for £1,900.

NEB backs diagnostic instrument venture

By David Fishlock, Science Editor

THE NATIONAL Enterprise Board is investing £278,000 in a new instrument for medical diagnosis developed by researchers with St. Bartholomew's Hospital, London.

Consent for the NEB investment—the third by the Board since the Conservative Party came into office—had been given by the previous Labour Government.

The NEB and Oxford Instruments are to become shareholders in Innotron, a new company formed by Professor Timothy Chard and Professor John Landon of St. Bartholomew's Hospital Medical School.

The scientists are specialists in radio-immuno-assay, a method of diagnosis involving the use of radio-active drugs.

They have developed a cheaper and more convenient instrument for measuring radioactivity, which they believe will find markets overseas, for example, for the diagnosis of hepatitis.

The NEB's investment in Innotron is made up of £44,000 for 37.7 per cent of the initial ordinary share capital, plus up to £200,000 for cumulative redeemable preference shares. In addition, it is making a secured loan of £34,000 to the company.

Oxford Instrument Group is acquiring 25.9 per cent of Innotron, and the company will use the Newport Pagnall factory of Oxford Instruments for manufacture. Mr. Alan Anderson, formerly manager of the medical products division of Union Carbide (UK), is joining Innotron as chief executive.

Call for public share in Government profit

BY OUR ECONOMICS STAFF

A PUBLIC stake in the Government revenues from both North Sea oil and nationalised industries is suggested in a new Institute of Economic Affairs study published today.

This is argued in a new postscript to the second edition of Mr. Samuel Brittan's Hobart Special, "Participation without Politics."

In the postscript, Mr. Brittan and Mr. Barry Riley, both of the Financial Times, argue, that "the advent of North Sea oil makes it possible, if only we had the imagination, to take a giant stride towards a genuine people's capitalism."

The authors suggest the creation of a marketable asset giving the public a right to a share in the income from the Government's North Sea tax receipts and royalties.

In addition, they argue that the scheme could be extended to nationalised industries, all their revenue being placed in a general fund in which every citizen enjoys a stake.

The authors believe that a major argument in favour of their proposals is "that for the first time there would be a political incentive to allow these industries to be run profitably—as people would not like to see the market value of their stake depreciate."

In the main part of the study, Mr. Brittan discusses the nature and role of markets. He maintains that the market should have a particular appeal to those who place a high value on individual choice and are sceptical of the wisdom of ruling groups.

The adverse side-effects of markets only justify intervention when they both exceed the costs of such action and when officials have sufficient knowledge of changing costs and preferences to be able to improve on the unaided market. Moreover intervention, when desirable, can use markets and the price mechanism.

Participation without Politics, Hobart Paper Special 62, Second Edition, price £1.50.

'Big five' seek stake in fourth TV channel

BY ARTHUR SANDLES

THE Independent Broadcasting Authority has rejected the suggestion that independent producers should have the biggest share of programming for the proposed fourth television channel.

Although the Government has said the channel will be run by IBA there are no details about its structure.

It is understood there is considerable pressure to tip ITV 2 into, or away from, the powerful ITV network "big five"—Thames, London Weekend, Yorkshire, ATV and Granada.

Sir Brian Young, the IBA's director-general, and Mr. William Whitelaw, the Home Secretary, are in discussions as the Government drafts its Bill.

The IBA is keen to prevent the big five dominating the new channel, but it is less than enthusiastic about independents obtaining a big share.

Mr. Colin Shaw, director of television for the IBA, told the Brodacasting Press Guild in London yesterday that "keeping the screen alight for many hours a week calls for a regular provision of programmes which in turn calls for resources and organisation which are hardly compatible with "independence"

SALEROOM

BY ANTONY THORNCROFT

A George III ebony striking bracket clock sold for £11,600 to Lee at Christie's yesterday. It was made by Barkley and Colley. The sale, of clocks and watches totalled £149,844. Stander, the Dutch dealer, gave £10,000 for a walnut longcase clock by George Graham while a rare German oak-cased "talking clock" by Gustav Becker, with the original tape giving the time in German every half hour, realised £1,100.

At Stanley Gibbons paper money brought in £37,479. A Russian 25 kopecks sealskin note of 1815-25 issued for use in Alaska was sold for £1,900 and a set of three Greek 1942 Italian occupation notes made £1,700.

Aston Martin halves U.S. quota as demand booms

BY LISA WOOD

A BOOM in demand for Aston Martin Lagonda cars in Japan, the Middle East and Europe has forced the makers to halve shipments to the U.S.

Fifty cars will be shipped to the U.S. this year, instead of 100, and the cuts will extend into 1980 as the company concentrates on its new expanding markets.

Mr. Alan Curtis, the company's managing director, said yesterday: "We build only seven cars a week and I have no intention of increasing that number, as I am determined to maintain our exclusivity and high quality. This means that some markets will be starved of our cars, but that's a position everyone will have to accept."

Aston Martin's sales in Japan and the Middle East have been expanding rapidly, and distributors in West Germany, Holland, Belgium and Switzerland, where the company has concentrated its European efforts, are asking for increasing numbers of cars.

Mr. Curtis added that the U.S. was the only country with a stock of cars, "albeit a very small one."

Aston Martin's U.S. subsidiary recently had sold five cars in a week, and Mr. Curtis admitted that the distributors there were unhappy about the cut.

POST OFFICE CODES OF PRACTICE

A consumer test for Mrs. Oppenheim

BY JOHN LLOYD

THE CODES of practice for the postal and telecommunications services, published yesterday, have been some two years in gestation.

Their origin lies in a move in early 1977 by Mrs. Sally Oppenheim, then Opposition spokesman on prices and consumer protection, to have the Post Office brought under the provisions of the Unfair Contract Terms Act, 1977.

She said that its exemption from that Act under the exclusion it enjoyed from the 1969 Post Office Act made it all but immune from consumer redress.

The late Lord Peddie, then chairman of the Post Office Users' National Council, suggested a compromise. Would the cause which Mrs. Oppenheim was espousing not be best served by a voluntary code of conduct, to which the corporation would be morally, if not legally, bound?

Mrs. Oppenheim and her supporters agreed, on the proviso that the code should be a strong and effective one.

It remains to be seen if she, now Minister for Consumer Affairs, will agree that it is so. At least one of the parties involved in the lengthy negotiations which have lain behind the publication of the codes does not think it is.

Mr. Gordon Borrie, director-general of the Office of Fair Trading, irritated corporation officials yesterday by making quite clear that it was, in his view, "a first-class idea but a second-class result."

Compromise

Mr. Borrie's reaction was to a large degree conditioned by his disappointment that the Post Office had refused to give any ground on consequential loss on registered mail.

Acceptance of this principle would mean that the Post Office might be liable to pay all or part of losses incurred by, say, a company whose bid for a contract, sent by registered mail, had not arrived in time.

The Post Office's argument in that case has been that to admit liability for such occurrences would be to open the floodgates to a tide of claims, some possibly mischievous and most contentious.

Mr. Borrie was critical of the corporation's "rather grudging" attitude in offering a maximum of £12.50 for loss or damage to ordinary mail, and in refusing to set targets for telecommunications reliability.

To the latter charge Mr. Peter Benton, managing director of the telecommunications side, replied that he did set such targets in the internal business plan: and, as a concession to open government, revealed that it was planned to get 95 per cent of all faults repaired within two days by 1982-83. The rate at present is about 50 per cent.

To the general charge of being "grudging" Mr. Denis Roberts, managing director of posts and the corporation's main spokesman, stressed yesterday that there were certain limits to liability, largely limits of cost.

No record is kept of origin of the vast bulk of letters and parcels. This makes precise liability for their loss difficult to ascertain, but the alternative, he says, would be enormously costly and time-consuming.

The organisation carries, both physically and electronically, some 75m messages each day. In most cases, it does not "know" what they are.

The codes, it would say, approach the limit of what it can reasonably be expected to do within the limits of its ignorance, an ignorance which it sees as in both its own and its customers' interests to perpetuate.

It has succeeded in getting the agreement of the Post Office Users' National Council to this view, and also that of the Mail Users' Association, which speaks for bulk mail-users.

The Office of Fair Trading remains unconvinced, but admits it is a good start. What will the public, who are the supposed beneficiaries, make of it?

Complaints

The Post Office obviously believes that there will not be a mass of complaints and claims. It already pays out some £3.25m a year on compensation, £3m in the postal service and has raised that only a little in its forward estimates.

It may be that the corporation underestimates future calls on the new codes. It is, of course, the case that the codes were adopted in response to institutional rather than public pressure, and that there was no large, identifiable public demand.

Yet most people feel aggrieved at the corporation at some time or other, and once it gets around that it might pay to air the grievance, a larger proportion of the public may well do so.

Whitmore for Downing Street job

By Our Lobby Staff

MRS. MARGARET THATCHER has appointed Mr. Clive Whitmore, at present an Under-Secretary in the Cabinet Office, to be her Principal Private Secretary.

Mr. Whitmore succeeds Mr. Kenneth Stowe, who was recently appointed Deputy Secretary in the Northern Ireland Office.

After joining the War Office in 1959, Mr. Whitmore held a variety of posts in the Ministry of Defence. In 1975 he was head of the naval equipment co-ordination division, and for the next two years worked on central issues of defence policy.

His appointment at Downing Street will be at Under-Secretary level with a salary of £16,714.

West 'must stabilise balance of payments'

BY DAVID FREUD

AGREEMENT on the distribution of balance of payments deficits in the Western World is the most pressing requirement for stabilising the international monetary system, according to a report published today.

Professor Robert Aliber, of the University of Chicago, argues that these deficits are the counterpart of the OPEC surpluses. The U.S., West Germany and Japan need to agree on the appropriate ranges for their current-account deficits.

"Unless there is agreement, it seems highly likely that the U.S. trade deficit will be very large, and protectionists' demands in the U.S. for measures to limit imports by higher tariffs and quotas will increase sharply," he says.

The report, "Stabilising World Financial Arrangements," published by the independent London-based research group the Trade Policy Research Centre, also warns of the dangers of the growth in external indebtedness of the developing countries.

He points out that because much of this debt has relatively short maturities, the refinancing problem is severe. "Some borrowers, therefore, will not be able to repay on schedule and may be obliged to have their external debt rescheduled."

Alderney plans independent postal service

THE STATES OF ALDERNEY (the island's parliament) yesterday gave approval for its finance committee to begin negotiations with the Home Office and the Guernsey Post Office Board for the establishment of an independent island postal service and the issue of Alderney stamps.

The decision follows study by the states of a recent report by a team of British Post Office consultants which estimates that after initial expenses, including £120,000 for purpose-built premises, the service should show a profit of almost £20,000 at the end of the first year of business, increasing to some £88,000 in the fourth year.

There is no evidence to suggest that Alderney's postal independence would have any adverse effects on the philatelic sales of Jersey and Guernsey, the report comments.

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Chemical workers reject pay rise offer of 14 to 15%

BY NICK GARNETT, LABOUR STAFF

CHEMICAL PROCESS workers, one of the few big groups still to settle in the current wage round, have overwhelmingly rejected a pay offer of 14 to 15 per cent.

Although the response from some regions of the three negotiating unions was still unknown last night, the 60,000 workers have made it clear that the new money and shift allowances in the offer are unacceptable.

Negotiators for the General and Municipal, the Transport Workers' and the Shop Disrtibutive and Allied Workers' unions will now be seeking a further meeting with the Chemical Industries Association.

The employers' inclusion of a clause allowing individual companies to negotiate shorter hours in certain very limited circumstances related to the introduction of new technology has been broadly welcomed, although the shopfloor does not believe it goes far enough.

This part of the offer has been seen by the unions as a breakthrough and the Transport union says a number of companies are prepared to negotiate on hours.

The employers have offered a 12.5p-an-hour increase on basic national rates, with the transfer of 8p to those rates from extra basic pay negotiated locally by individual companies. Shift allowances would be increased by 42 per cent, call-out payments by 50 per cent and drivers' subsistence allowances by 25 per cent.

One of the reasons for the rejection of the new money element is that for a number of companies the level of national rates tightly governs the size of locally-negotiated incrases.

ACAS in Tube pay talks

BY OUR LABOUR STAFF

OFFICIALS OF the Advisory Conciliation and Arbitration Service will meet the three rail unions this morning in an effort to avert an all-out strike on the London Underground from June 18 by members of the National Union of Railwaymen.

The NUR, the train drivers' union ASLEF and the white-collar Transport Salaried Staffs' Association yesterday agreed to a request from ACAS to meet for exploratory talks.

No representatives of London Transport are due at today's meeting, but ACAS officials had preliminary talks before calling the unions in.

The NUR has instructed its 15,000 Tube members to strike in support of a pay claim by all three unions for rises of 17-20 per cent.

The unions, which have rejected a pay offer worth 10.3 per cent, have warned London Transport not to call further meetings if more money is unavailable.

The ACAS move came as Mr. Sid Weighell, NUR general secretary, asked Mr. Norman Fowler, Transport Minister, to intervene in the dispute.

Mr. Weighell told Mr. Fowler the transport unions were anxious that priority be given to British Rail and other public transport to guarantee supplies of oil. British Rail has announced a 7 per cent cut in its services because of oil supply cuts.

Single engineering union near

BY ALAN PIKE, LABOUR CORRESPONDENT

PROSPECTS OF progress after years of stagnation in the Amalgamated Union of Engineering Workers' efforts to establish one union in the industry improved dramatically yesterday.

Delegates to the AUEW construction section conference at Bournemouth gave their leaders authority to join the dominant engineering section as part of a fully-merged union even if Tass, the Communist-led white collar section, does not become part of these arrangements.

The fourth AUEW section, for foundry workers, has already agreed in principle to become part of the engineering section through a transfer of engagements under the Trade Union Amalgamation Act. Until now the construction section has refused to complete the amalgamation in this way unless TASS did the same.

Yesterday's change of position will isolate TASS which cannot become part of a complete amalgamation on the engineering section's present terms unless it agrees to elect rather than appoint its officials.

For 10 years now the AUEW has been trying without success to merge its four semi-autonomous sections into a single union.

Mr. John Baldwin, construction section general secretary, who has criticised existing arrangements and has sometimes suggested that his members would be better off elsewhere, told delegates yesterday that they had four options.

They could carry on seeking a four-section amalgamation on the existing basis although it did not seem likely that this would be achieved; ask the other sections to release them from the AUEW and revert to being a small independent union; seek an amalgamation elsewhere; or go ahead with a three-section transfer of engagements fighting from within to help to overcome the difficulties confronting TASS.

The executive was recommending the final course. Mr. Baldwin said that the construction section had been offered an amalgamation on almost unconditional terms by the Transport and General Workers' Union if it left the AUEW. But he did not feel that a move in this direction would be acceptable to his members.

He told delegates that if they supported the policy which the executive was proposing the construction section would continue working for a full amalgamation of all four sections. But, if this proved impossible would go ahead on a three section basis.

The executive won support after a debate in which many delegates emphasised that they were not acting out of disloyalty to TASS but in what they believed to be the interests of their own members.

Levy collection breached APEX rules

A UNION BRANCH chairman who complained that the "check-off" system for union dues meant he had to reclaim money because he had contracted out of the political levy has been upheld by the Certification Officer.

The officer found that the Association of Professional Executive Clerical and Computer Staff (APEX) was in breach of its own rules. The union had agreed to let the complainant and others pay their dues, minus the political levy of 18p a quarter, at branch meetings instead of having them deducted at source.

The complaint was made by Mr. E. P. McCarthy, APEX branch chairman at Automotive Products in Banbury, near Oxford. After a formal hearing under the Trade Union Act of 1913, Mr. John Edwards, the Certification Officer, said he agreed with a previous decision of the Chief Registrar of Friendly Societies that an exempt member should not be compelled to pay the political contribution and then collect it back "when Parliament had affirmatively relieved him from the obligation to pay it."

Last night Mr. Roy Grantham, APEX general secretary, said the case was one of administrative procedure rather than of principle.

Public service unions to fight cuts

BY PHILIP BASSETT, LABOUR STAFF

PUBLIC SERVICE union leaders are pressing the TUC to mount a campaign against the Government's manpower cuts which would equal the effectiveness of the campaign against the Conservatives' 1971 Industrial Relations Act.

The TUC Public Services Committee expressed "deep concern" yesterday about the recruitment ban in the Civil Service announced by the Government, and its pressure on local authorities to bring in a similar freeze.

Union leaders, who expect further cuts in next week's Budget, said that the TUC Economic Committee would declare the unions' opposition to the manpower cuts when it meets Sir Geoffrey Howe, Chancellor of the Exchequer, the day after the Budget.

A TUC document presented to the Public Services Committee yesterday estimated that if the 3 per cent staff cut being enforced in the Civil Service was extended across the public services some 150,000 jobs would be at risk.

The rift between public- and private-sector unions over reaction to the Labour Government's cuts in 1976 has been closed, union leaders said. All unions now recognised the damage that public service cuts could do to employment prospects in both public and private sectors.

No joint campaign was decided on, but Mr. Alan Fisher, general secretary of the National Union of Public Employees, said he hoped the TUC would campaign as effectively on this issue, which was "absolutely central" to the trade union movement, as it had against the Industrial Relations Act.

Planning a campaign would be left to the Economic Committee and the TUC General Council.

● Civil Service union officials tomorrow will reopen negotiations on the politically embarrassing rises of 40-50 per cent due to some senior civil servants. The rises were suspended until after the Boyle Committee's report on top salaries had been published.

Union officials this week have already met Civil Service Department negotiators on the outstanding two grades. Agreement has been reached to pay the two grades 9 per cent backdated to April 1 and 5 per cent in August. Tomorrow's talks will centre on implementation of the rest of the rises due.

● Mr. Fred Jarvis, general secretary of the National Union of Teachers, demanded yesterday the same sort of treatment for teachers as that given by the Government to top-salaried people. Teachers have agreed that their 36.5 per cent claim should be referred to the Clegg Comparability Commission.

Bitter message for PO chief

POST OFFICE chairman Sir William Barlow, whose 25 per cent salary increase takes him up to £37,000 a year, received an iron message yesterday from his 120,000 engineers about their own 25 per cent pay claim.

Delegates at the Post Office Engineering Union conference at Blackpool set him a telegram saying: "Congratulations on restoration of the rate for your job as a result of catching-up exercise based on outside pay comparisons. We look forward to receiving our 25 per cent pay increase on a similar basis from July 1."

Closed shop proposals 'poison'

BY ALAN PIKE

THE GOVERNMENT's proposals for changes in the law on closed shops were attacked by Mr. Harold Walker, former Labour Employment Minister, yesterday.

Some of the poison of the last Conservative Government's Industrial Relations Act looked likely to be dragged out of Mr. James Prior's medicine cabinet, he told the Amalgamated Union of Engineering Workers' construction section conference in Bournemouth. Mr. Walker accused Mr. Prior, Employment Secretary, of "pandering to a popular, if irrational and ill-founded, public emotion that he did much to create."

Proposals for ballots before the introduction of closed shops seemed to owe more to doctrinaire electioneering than to common sense and practical experience. Rights of appeal to the courts in cases of exclusion or expulsion from union membership in closed shops already existed. Further tightening could be achieved only by laying down conditions about union rules, but this would be gross interference in the internal affairs of a union.

It seemed to be Mr Prior's intention that where a non-union member was not acceptable on a site, the union would be liable to pay compensation. "But supposing it is unofficial action underlying such an action, not endorsed by the union. Who is then liable to pay compensation? As yet we have no answer. And non-payment inevitably takes us back down the road that leads to imprisonment for contempt of court."

Contrary to what Mr. Prior and his friends would like the public to believe, the present law on the closed shop was essentially what it had been for about 100 years except for the period of the Conservatives' Industrial Relations Act. Mr. Walker suggested that Mr. Prior should look back to the Donovan Report on trade unions and employers' association which formally advised against any change in the law on the closed shop.

Bakers ballot move passed

THE BAKERS' Union, which had a six-week strike in the winter, decided yesterday to hold ballots before calling national strikes.

Delegates at the 26,000-strong union's annual conference at Margate said many members who crossed picket lines would have struck if they had had an opportunity to vote.

Thousands continued working after the union's executive decided to strike for a £10-a-week pay claim.

Branches voted to call it off after achieving about half the claim.

Flu vaccine inquiry urged

By Our Labour Staff

THE GENERAL and Municipal Workers' Union yesterday demanded an official inquiry into the harmful effects of anti-flu vaccines which it claims developed among nine of its members more than 18 months ago.

The four men and five women, employees of Securicor in Watford, had complained variously of excessive tiredness, cramp and heaviness in their limbs and other symptoms. One woman had been admitted to hospital for two weeks.

Mr. Jeremy McMullen, district official for the union's white-collar section, said there had been recent undertakings by the regional health authority to look into the complaints but the response was unsatisfactory.

Editors attack CoHSE ruling

BY OUR LABOUR EDITOR

THE GUILD of British Newspaper Editors yesterday attacked a decision by the Confederation of Health Service Employees to invite only members of the National Union of Journalists to cover its delegate conference in Bridlington next week.

Mr Sandy Clark, president of the guild, said the decision was "clearly against the public interest." If accepted by editors it would threaten the integrity of their newspapers.

"If a free Press is to operate successfully in a free society, surely it is for the editor to decide who covers what, irrespective of any trade union affiliation."

CoHSE's decision, which follows policy of the last four years, was like a theatre management dictating to a newspaper who should act as their drama critic, Mr Clark claimed.

A union spokesman said the analogy was "frankly stupid."

"We said on our invitations to the conference that editors are reminded there is no automatic public right of admission to the conference. Journalists are there as our visitors and the presence of non-NUJ journalists would be most offensive to the delegates.

"We respectfully requested editors to recognise the sensitivity of the situation. As a trade union we have to support the concept of proper unions affiliated to the proper body, which is the TUC."

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● DATA PROCESSING

Pressure vessel design aid

CADCENTRE, in collaboration with ICI Organics Division, has launched a project to develop computer aids for the design, analysis and contract engineering of pressure vessels. Design code these aids will support is British Standard 5500: 1976 Specification for Unfired Fusion Welded Pressure Vessels.

The first phase is aimed at providing five programs to perform design and analysis calculations to key areas of application: shells under internal or external pressure; bolted flange connections; tubesheets; compensation of openings; and local loads on shells.

All these programs will have conversational and file input and will provide ability to modify data during the program run. Extensive data bank facilities for material properties, preferred plate thicknesses, stiffening ring geometry etc. are also being provided.

This software will be marketed by Cadcentre as available. Predicted availability for the shell program and the bolted flange program is winter 1979 and autumn 1980 for the remaining programs.

The second phase of the project will be to develop an integrated contract engineering system for pressure vessels. This will perform all design and analysis calculations and will link these to facilities for producing bills of materials, data sheets, site and manufacturing detail drawings etc.

Interfaces to existing computer-based systems such as ICI's Isopedac will be provided.

Marketing Department, Computer Aided Design Centre, Madingley Road, Cambridge, CB3 0HB. (0223) 63125.

Printers' speed doubled

GAMMA ASSOCIATES has announced a low-cost "accelerator" for the LA35 and LA36 Decwriters.

The SPI can produce speeds of up to 60 characters a second on printers of this type, normally producing 30 characters per second. It can be fitted in a few minutes.

Developed by Gamma's own engineering team it has been *running successfully on internal* units since last July and, more recently, at a number of pilot customer sites.

Gamma adopted this cautious approach after having discovered that one or two similar devices produced in the U.S. had encountered significant problems. These pertained to instability and excessive printer wear.

Gamma Associates, Newland House, Mount Street, Nottingham 0602 44307.

● ENERGY

Makes fuel conservation less of a problem

AS PROBLEMS facing management go, one just offered up by the control equipment side of Honeywell seems to be simple of solution. It is that, for an outlay of between £1,000 and £2,000, the services side of any large building complex—factory, school, hospital, central bank and the like—can save between 25 and 40 per cent of the energy input required to maintain tolerable conditions for the occupants.

Coming at a time when energy costs are again on a sharp upward spiral, the intelligent optimum start controller for heating systems and air conditioning equipment developed by Honeywell over the past three years could hardly be more welcome.

This is not because it embodies entirely new principles, since optimum start design ideas have been with us for a number of years. The key lies in the fact that the controller is intelligent. That is, it can initiate action to start up the heating equipment of a big building at a time which takes into consideration external temperatures, an average for the rooms, and also the thermal *inertia of the particular building.*

If the time it has set for one day was not quite right to provide the set temperature for the start of work, the unit will become aware of this through its sensors and, the following day, it will adjust accordingly.

Thus, the optimising is continuous. At the same time, the unit will cut out the heating system during the afternoon, towards the end of the work period, providing a further saving on the energy bill.

The unit is extremely simple to set up and the heating programme for a whole year for a large building would need no more than 15 minutes or so to establish, taking into account bank holidays, weekends and so on.

The interesting aspect of the development is that work on optimisers started in 1967 with a first equipment launch by Honeywell in 1970. From then to the second fuel "squeeze" in 1973, some 1,000 units were installed in Europe.

Between 1973 and now, with the squeeze turning into a "throttle," a further 8000 optimiser systems have been installed throughout Europe — but there is room for a least 10 times as many, especially in an energy-hungry area such as the EEC group of countries.

Honeywell staff launching the new energy saver believe, on the basis of what has happened in Europe and is happening in the U.S., that incentives and legislation may become necessary to get industrialists and administrators to *take action on* energy economy.

Meanwhile, the control section of the company is stepping up its Energy Conservation Service.

Heating and ventilation engineering teams will be on hand to study any building which appears to be wasting energy, and will draw up a report which will specify the condition of existing controls, if any; technical feasibility of conversion; and the nature and cost of a suitable conversion.

If the operator of a building decides to move to a maximum conservation system, the company will provide equipment, install and commission, provide documentation, give a year's service under guarantee and, where the customer requires, *provide ongoing service.*

The maximum saving figure mentioned earlier does not come from Honeywell, but from the Property Services Agency of the Department of the Environment which is a user of optimum start equipment made by the *company.*

The 40 per cent applies where hitherto control systems have been limited to a simple switching system which cuts down heat during the unoccupied period. Where buildings are controlled through outside compensated flow systems, savings of up to 25 per cent can be expected.

The optimising work was carried out by the company after it had produced a number of models of optimum start equipment based on micros that showed little improvement on *earlier models. It took some*thing like a year's intensive programme writing to perfect the self-adaptive software that gives the new controller the edge. And it looks as if the developers of several micro-driven controllers known to be in the pipeline will have to do similar software homework to compete effectively.

Honeywell, Charles Square, Bracknell, Berks. 0344 24555.

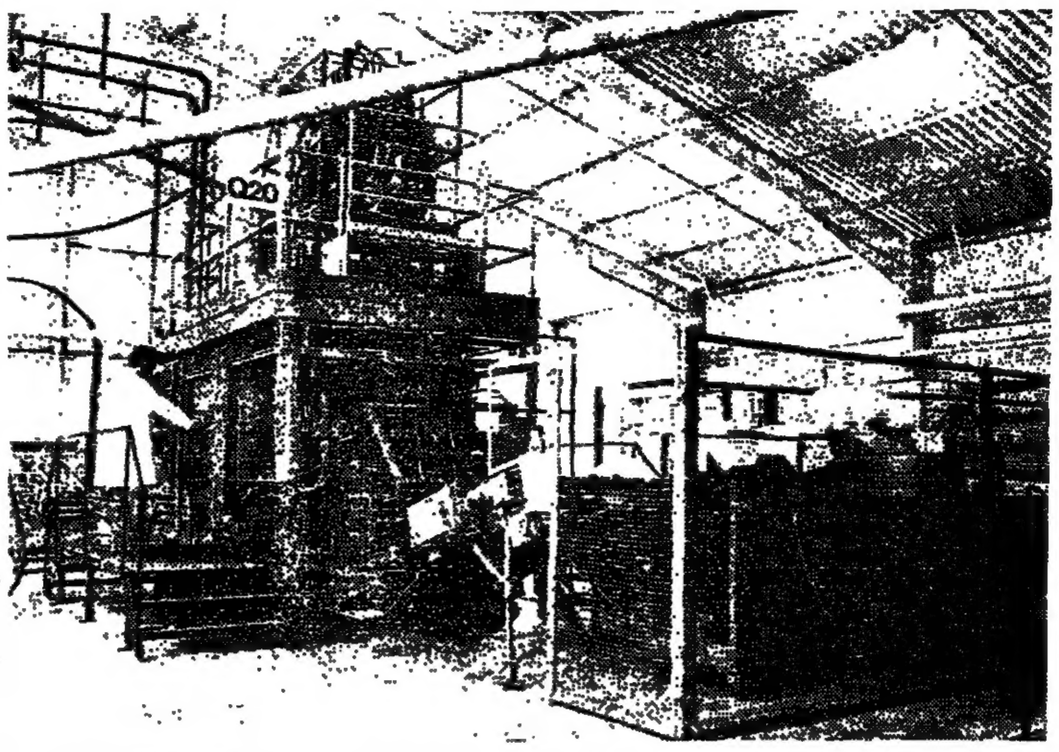
● COMPONENTS

Actuator works fast

QUADRAK describes a series of fast, double-acting electric valve actuators for ½ to 2 inch ball valves.

Fundamental to the equipment is a completely new and patented electric step motor which can apply power from a standard 240 V, 13 A, single phase supply directly to open and close a ball valve without intermediate gearing. The concept combines the double-acting virtues of the traditional electric motor actuator (i.e. de-energise when stationary) with *the speed capability of a solenoid or pneumatic piston* — about ½ second—and eliminates dependence on pilot systems. A manually set electrically latched spring option provides for fail-safe action.

Rotork, Bath BA13 JQ. 0225 2545.



This machine—first of a new generation of high-speed blow-moulding systems for production of 25-litre polyethylene drums and jerricans—is now being operated by Plysu Containers of Woburn Sands, Bucks. Made in America, to Plysu's specific requirements, the machine is manufacturing the company's 25-litre "SR.25" jerricans, two at a time, at speeds up to 160 per hour. In addition to the blow-moulding unit, the system includes automatic trimming equipment developed by Plysu. This removes extraneous "flash" material, cuts out the carrying handles and trims the necks to provide fully finished containers ready for printing or despatch.

● RESEARCH

'Phantom' will check radiation

WORK going on at the Joliot Curie Research Institute in *Budapest under a joint Hungarian-Soviet research project* has given rise to a man-made human "phantom" which reacts to radiation effects in the same way as living human or animal tissue, and which can be used to test the level of radioactivity which the human body is likely to absorb under various conditions.

A number of undisclosed synthetic materials are used to clothe the "phantom," which is built up on a structure of real bones and is said to have similar radiation absorbing qualities to that of a real human being.

The "phantom" is used in conjunction with a thermo-luminescent dosemeter which has been designed by Hungarian Academy of Sciences.

A probable use of the "phantom" and the dosemeter will be in future space probes to provide data on the radiation doses likely to effect astronauts during the various phases of interplanetary flight.

Some of the phantoms will be installed in Hungary's first nuclear power plant at present under construction at Paks on the Danube.

● MATERIALS

Resists the vandals

ONE OF the toughest transparent thermoplastic glazing materials now available is polycarbonate. Common uses are for bullet-proof cash windows in banks, face visors for motor cyclists and in hoods with industrial protective clothing or as guards on machinery.

Although it offers clarity and strength and virtual immunity to *either accidental or malicious* damage, there is the problem of surface scuffing and scratching.

Long-term resistance against these rigours, however, is promised with Makrolon Hard abrasion resistant sheet, made in Germany and marketed in the UK by May and Baker, Essex House, 15 Station Road, Upminster, Essex (Upminster 50507).

Closely kept secret of this advantage is a special coating applied at the immediate production stage in a totally dust-free atmosphere.

Guaranteed unbreakable by manual attack, it is available in thicknesses from 3 mm to 10 mm and sheet sizes up to 3000 x 2050 mm. Wider uses could be glazing bus shelters, telephone kiosks, doors in schools and institutions, in-fill panels in motorway balustrading and windows in boats, etc.

● TEXTILES

Faster and finer finish for knits

JUMPERS, CARDIGANS, and other knitwear which need to have trims attached, can now be finished two to five times faster by using a new system, called Arndt, says J. and P. Coats, 155 St. Vincent Street, *Glasgow (041 221 8711).*

Invented by West German knitwear manufacturer Werner Arndt, and now marketed by Coats throughout the UK, the system obviates previous time-taking efforts of having to stitch trims to a garment from a series of needles, laboriously fed and married together by an operator who, at the same time, risked eyestrain.

Whether a waistband, armhole or finishing to a V or round neck sweater, both garment and trim are fed together to two separate machines, with the result that less yarn is required, there are no dropped stitches, and superior seam performance is achieved. In the case, of V neck trims, says the company, the mitring at the point of the V gives an excellent finished result.

● HAND TOOLS

Makes a tiny joint

AS CIRCUITS get smaller, so does the soldering iron—the latest model from Light Soldering Developments is claimed to be the smallest in the world.

Known as the Adamin Model 6, this iron consumes six watts from six volts, weighs only seven grammes and is said to handle like "a fine pen." The element shaft is a mere 2.4 mm in diameter and is enclosed by the fully slotted non-seize bit to ensure maximum heat transfer between the two.

A slightly larger unit, Model 12, is also available weighing 15 grammes and this can be supplied in various operating voltages from 12 to 240.

More from 81a High Street, Marlow, Bucks (Marlow 71856).

major manufacturers for the oil and petro-chemical industries world-wide – just one of NEI's activities.

Northern Engineering Industries Ltd

NEI

A merger of Clarke Chapman and Reyrolle Parsons

● INSTRUMENTS

Complete check on surfaces

LATEST computerised surface finish tester from Hommelwerke, T30, available in the UK from Advanced Metrology Systems, Vaughan Way, Leicester LE1 4SG (0533 20693) can tackle almost anything from the straightforward conventional assessment of surface finish to the complex analysis needed by today's research and metrology laboratories.

There are two units, traverse table and probe, and the electronics unit with displays, keyboard, test controls and printer.

Only one pass of the diamond stylus probe/transducer unit is needed along the surface *under test. Then, all the surface* variation data is stored in a memory after which instant recall of all the parameters is available together with surface finish graphs of roughness, straightness and envelope conditions. Maximum resolution is 0.0005 micron and the vertical range extends to plus or minus 1 mm.

Special requirements are entered from the keyboard for the purpose of statistical analysis.

Tests for adhesion of coatings

SEBASTIAN Mk 1 coating adhesion tester introduced by Megatech of 2A Waterloo Road, Havant, Hants, PO9 1BH (0705 472868) gives a direct reading of coating adhesion values in force per unit area.

Quick and easy to use it can replace established methods such as tape and abrasion testing and is a compact unit suitable for bench mounting.

It uses epoxy-coated pull studs that can be attached to most coated surfaces including thin films and paints to give a true tensile test measurement of coating adhesion.

The equipment will be on view at IPAT '79, the exhibition of Ion Plating and Allied Techniques, at University College, London, 3-5 July 1979.

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Notice of Redemption

Zapata Overseas Capital Corporation

6¾% Subordinated Guaranteed Debentures Due 1980

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of July 1, 1968 under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, for redemption on July 1, 1979, through the operation of the sinking fund provided for in said Indenture, $2,016,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000, PRINCIPAL AMOUNT OUTSTANDING

M 6	1654	3253	4744	6217	7655	9072	10675	12559	14383	16068	17558	19208	20642	21941	23571	25657
16	1671	3262	4752	6230	7661	9081	10697	12571	14388	16076	17563	19214	20688	21947	23589	25661
32	1681	3280	4763	6249	7667	9100	10705	12596	14417	16096	17598	19220	20702	21955	23603	25667
39	1688	3287	4779	6269	7674	9135	10780	12611	14447	16110	17613	19224	20726	21984	23618	25672
51	1699	3293	4786	6289	7691	9144	10790	12627	14471	16112	17630	19232	20739	21987	23636	25680
65	1707	3301	4791	6317	7710	9151	10811	12642	14495	16139	17658	19237	20746	21991	23640	25708
86	1714	3308	4801	6324	7715	9160	10819	12649	14507	16148	17667	19264	20752	22002	23664	25711
94	1730	3315	4812	6341	7727	9167	10838	12656	14516	16158	17680	19285	20764	22010	23671	25721
103	1767	3337	4819	6350	7735	9175	10848	12687	14545	16177	17689	19290	20777	22015	23677	25729
111	1796	3347	4840	6361	7742	9184	10868	12692	14585	16181	17694	19294	20785	22035	23684	25736
121	1808	3354	4850	6369	7753	9195	10921	12701	14599	16184	17703	19299	20796	22040	23705	25743
130	1817	3363	4862	6386	7765	9202	10932	12707	14605	16189	17734	19304	20802	22044	23712	25769
145	1827	3372	4867	6392	7772	9214	10940	12715	14610	16198	17780	19356	20808	22051	23730	25776
159	1863	3379	4882	6400	7788	9233	10957	12723	14619	16213	17802	19374	20821	22054	23737	25784
171	1871	3397	4902	6406	7797	9245	10965	12744	14642	16219	17817	19399	20831	22067	23747	25790
184	1875	3400	4945	6413	7819	9253	10975	12753	14678	16232	17830	19408	20839	22100	23752	25799
192	1902	3414	4956	6436	7836	9261	11020	12763	14685	16248	17833	19417	20845	22111	23780	25805
197	1910	3419	4974	6450	7848	9266	11051	12771	14700	16262	17842	19457	20852	22117	23785	25833
247	1933	3427	4986	6463	7854	9280	11071	12778	14709	16275	17849	19479	20856	22125	23795	25838
256	1968	3436	4999	6476	7865	9290	11087	12786	14717	16284	17862	19482	20882	22132	23805	25846
262	1974	3460	5017	6483	7893	9299	11095	12810	14729	16300	17870	19528	20888	22137	23811	25857
269	1982	3467	5026	6494	7901	9304	11106	12816	14744	16306	17876	19534	20897	22153	23818	25863
272	1988	3474	5047	6496	7908	9308	11111	12828	14752	16326	17883	19540	20908	22165	23837	25868
285	1996	3483	5052	6508	7919	9316	11121	12837	14758	16330	17898	19549	20917	22168	23847	25913
303	2009	3489	5057	6532	7927	9333	11136	12853	14764	16337	17907	19562	20923	22177	23853	25917
313	2030	3524	5063	6544	7933	9354	11153	12863	14768	16344	17911	19565	20939	22180	23857	25927
344	2047	3541	5069	6565	7940	9359	11161	12890	14773	16356	17931	19567	20949	22192	23860	25932
358	2053	3550	5074	6573	7949	9367	11171	12905	14822	16367	17939	19584	20957	22213	23870	25940
373	2067	3558	5084	6583	7955	9386	11181	12915	14835	16385	17951	19591	20974	22226	23917	25943
431	2071	3564	5094	6592	7971	9396	11206	12923	14847	16390	17976	19596	20979	22232	23926	25957
441	2083	3572	5107	6606	7979	9411	11266	12930	14856	16402	17992	19613	20982	22236	23948	25962
448	2116	3580	5131	6611	7984	9418	11287	12937	14879	16409	18002	19617	21013	22249	23956	25967
455	2125	3590	5146	6617	7993	9422	11301	12947	14901	16481	18017	19627	21026	22269	23962	25979
464	2133	3600	5150	6625	8002	9438	11309	12953	14929	16488	18027	19642	21031	22273	23966	25983
472	2144	3609	5162	6651	8012	9448	11345	12967	14938	16511	18032	19648	21039	22278	23974	25997
481	2150	3617	5163	6657	8023	9458	11353	12992	14945	16519	18041	19654	21047	22283	24012	26017
490	2164	3636	5179	6666	8032	9478	11368	13012	14951	16530	18047	19672	21052	22290	24017	26034
498	2176	3648	5226	6673	8041	9505	11380	13015	14967	16545	18062	19677	21066	22296	24116	26044
506	2182	3662	5235	6681	8050	9511	11396	13091	14984	16552	18073	19687	21083	22305	24122	26054
513	2193	3677	5244	6691	8057	9524	11403	13100	15003	16561	18083	19694	21088	22354	24126	26061
520	2202	3694	5265	6707	8064	9532	11413	13107	15009	16586	18092	19701	21099	22364	24148	26067
530	2207	3702	5275	6717	8192	9539	11419	13115	15024	16599	18105	19710	21108	22370	24153	26081
541	2214	3714	5284	6738	8199	9547	11427	13123	15030	16606	18117	19750	21112	22461	24160	26089
554	2249	3727	5290	6748	8208	9572	11430	13129	15047	16614	18125	19764	21118	22469	24303	26096
562	2256	3752	5321	6755	8219	9582	11455	13145	15054	16620	18141	19771	21145	22513	24308	26103
572	2265	3772	5327	6763	8227	9593	11473	13159	15070	16627	18149	19781	21153	22535	24324	26114
580	2275	3782	5356	6770	8242	9597	11481	13170	15074	16651	18158	19786	21159	22542	24366	26124
592	2282	3790	5362	6778	8252	9610	11488	13174	15090	16655	18191	19792	21166	22549	24373	26150
600	2289	3796	5375	6785	8259	9627	11496	13182	15102	16661	18209	19824	21173	22555	24383	26158
612	2317	3803	5392	6791	8267	9632	11504	13197	15109	16668	18219	19829	21177	22564	24387	26168
621	2324	3814	5414	6798	8272	9640	11517	13207	15113	16670	18227	19835	21199	22576	24395	26171
629	2331	3823	5444	6806	8279	9655	11538	13281	15142	16676	18247	19855	21209	22743	24400	26179
646	2339	3831	5459	6828	8298	9661	11543	13290	15150	16714	18254	19859	21215	22749	24436	26184
651	2345	3839	5466	6838	8320	9671	11554	13305	15169	16723	18286	19866	21221	22809	24442	26207
667	2358	3881	5475	6844	8329	9712	11558	13313	15173	16737	18295	19880	21227	22814	24455	26213
674	2378	3886	5485	6851	8337	9720	11574	13321	15179	16750	18305	19895	21248	22829	24467	26219
681	2394	3930	5496	6865	8347	9734	11580	13331	15185	16761	18312	19906	21273	22855	24473	26229
690	2401	3937	5500	6873	8364	9747	11592	13338	15217	16767	18322	19914	21295	22877	24478	26235
707	2407	3949	5518	6886	8386	9755	11602	13375	15222	16804	18329	19927	21300	22889	24493	26247
721	2412	3977	5534	6897	8400	9764	11607	13389	15240	16810	18341	19932	21306	22912	24501	26271
728	2421	3987	5535	6910	8415	9779	11665	13425	15252	16817	18348	19956	21311	22917	24510	26278
740	2460	4015	5541	6923	8429	9786	11677	13443	15261	16829	18362	19966	21321	22925	24515	26284
759	2475	4044	5548	6935	8443	9792	11683	13458	15267	16847	18373	19968	21339	22929	24522	26303
774	2485	4054	5577	6945	8463	9803	11697	13471	15282	16865	18399	19997	21348	22951	24526	26307
789	2492	4061	5583	6965	8471	9811	11708	13479	15285	16881	18422	20003	21356	22960	24539	26327
799	2500	4069	5590	6999	8485	9823	11721	13491	15294	16894	18442	20009	21373	22969	24545	26349
819	2511	4078	5602	7021	8492	9842	11729	13559	15306	16904	18448	20019	21380	22980	24557	26362
857	2532	4090	5608	7031	8498	9850	11753	13566	15319	16915	18455	20034	21386	23000	24592	26368
865	2539	4104	5615	7060	8505	9860	11759	13590	15347	16935	18464	20047	21414	23012	24605	26383
870	2547	4111	5627	7066	8514	9901	11781	13604	15362	16942	18489	20160	21418	23034	24615	26392
887	2553	4116	5644	7097	8522	9906	11795	13612	15367	16959	18501	20165	21424	23041	24642	26400
897	2561	4120	5654	7108	8531	9915	11815	13618	15372	16965	18525	20168	21432	23049	24650	26419
923	2567	4133	5672	7115	8545	9930	11822	13627	15376	16978	18532	20180	21440	23059	24657	26427
931	2594	4145	5679	7124	8551	9934	11842	13632	15380	16987	18540	20190	21446	23085	24670	26431
944	2610	4159	5692	7132	8559	9962	11855	13650	15386	16993	18543	20196	21466	23100	24677	26437
952	2621	4170	5704	7141	8568	9971	11861	13679	15442	17001	18566	20203	21471	23114	24683	26445
960	2627	4177	5711	7148	8580	9979	11887	13688	15455	17019	18576	20211	21480	23133	24696	26452
972	2637	4196	5724	7153	8593	9985	11892	13694	15463	17026	18614	20217	21488	23148	24707	26508
988	2644	4217	5747	7162	8606	9994	11902	13700	15467	17037	18620	20232	21493	23157	24737	26557
998	2657	4225	5757	7175	8617	10015	11915	13732	15478	17043	18626	20236	21499	23162	24756	26634
1010	2687	4255	5766	7184	8629	10040	11931	13761	15503	17048	18642	20242	21505	23171	24761	26689
1032	2697	4263	5786	7193	8643	10049	11959	13770	15546	17056	18659	20246	21521	23189	24767	26763
1056	2703	4275	5802	7211	8650	10060	11964	13775	15566	17085	18667	20255	21530	23195	24787	26814
1070	2709	4286	5809	7221	8669	10111	11980	13789	15592	17092	18707	20269	21537	23201	24792	26857
1081	2718	4303	5816	7226	8677	10130	12002	13796	15604	17096	18713	20291	21548	23210	24796	26913
1086	2738	4323	5825	7232	8685	10136	12012	13812	15616	17102	18732	20297	21555	23218	24800	26995
1100	2747	4362	5837	7243	8690	10141	12027	13853	15632	17117	18748	20303	21580	23223	24828	27022
1108	2754	4374	5851	7265	8700	10152	12032	13856	15652	17135	18754	20308	21589	23241	24838	27086
1117	2820	4380	5869	7282	8712	10156	12043	13887	15669	17145	18766	20315	21597	23245	24959	27126
1139	2825	4396	5877	7302	8729	10174	12050	13893	15686	17152	18807	20322	21602	23253	24962	27292
1173	2832	4415	5884	7312	8740	10204	12059	13904	15695	17183	18820	20344	21609	23259	24968	27328
1187	2843	4427	5894	7320	8749	10211	12096	13917	15710	17189	18849	20349	21618	23264	24974	27391
1208	2852	4446	5906	7330	8755	10215	12154	13943	15724	17193	18855	20354	21636	23274	24978	27430
1238	2864	4455	5919	7343	8787	10219	12200	13950	15757	17199	18859	20369	21640	23306	24983	27491
1258	2873	4466	5926	7357	8792	10224	12207	13961	15763	17221	18870	20375	21646	23318	25022	27543
1319	2877	4480	5936	7363	8800	10231	12212	14052	15786	17226	18897	20383	21654	23326	25027	27604
1363	2898	4486	5943	7377	8821	10266	12222	14094	15792	17236	18907	20410	21665	23330	25032	27654
1370	2967	4495	5954	7387	8829	10273	12229	14108	15812	17242	18921	20412	21672	23336	25037	27718
1378	2975	4512	5962	7407	8834	10291	12238	14117	15822	17249	18926	20415	21706	23342	25044	27748
1390	2994	4517	5971	7413	8846	10305	12245	14130	15858	17255	18930	20423	21717	23369	25049	27820
1401	3000	4524	5979	7426	8854	10341	12304	14150	15866	17284	18938	20428	21721	23375	25082	27866
1409	3015	4531	5989	7439	8868	10349	12317	14167	15877	17291	18968	20430	21727	23380	25086	27958
1430	3021	4538	5998	7450	8876	10365	12323	14175	15885	17297	18975	20466	21732	23392	25096	27993
1438	3047	4547	6013	7464	8886	10375	12347	14190	15892	17304	18981	20484	21780	23402	25106	28055
1448	3064	4562	6024	7477	8906	10394	12362	14202	15903	17313	18989	20491	21788	23417	25124	28102
1456	3081	4574	6046	7482	8915	10420	12370	14212	15921	17318	18990	20499	21795	23435	25129	28176
1464	3091	4581	6055	7496	8928	10428	12378	14229	15928	17361	19005	20504	21802	23441	25142	28199
1470	3099	4594	6064	7505	8933	10464	12387	14233	15940	17368	19044	20509	21809	23445	25207	28317
1510	3117	4601	6069	7513	8945	10486	12408	14244	15946	17371	19081	20529	21815	23463	25219	28421
1533	3129	4611	6079	7524	8954	10491	12417	14257	15960	17376	19087	20535	21820	23473	25227	28501
1575	3166	4622	6089	7537	8967	10499	12444	14271	15969	17384	19093	20545	21856	23481	25231	28541
1587	3177	4636	6117	7550	8999	10505	12450	14287	15983	17396	19097	20555	21864	23502	25302	28639
1593	3189	4642	6132	7573	9005	10511	12466	14297	15989	17421	19104	20568	21869	23506	25552	
1602	3202	4648	6153	7582	9020	10519	12475	14323	15994	17466	19136	20573	21877	23513	25559	
1605	3209	4667	6166	7588	9026	10553	12490	14337	16003	17492	19153	20585	21885	23524	25566	
1617	3219	4684	6174	7596	9034	10573	12505	14349	16015	17520	19160	20593	21895	23533	25571	
1630	3234	4705	6181	7602	9045	10605	12519	14362	16027	17531	19163	20600	21913	23540	25576	
1637	3239	4729	6199	7613	9051	10653	12539	14371	16047	17533	19173	20627	21920	23560	25581	
1643	3247	4735	6204	7625	9059	10663	12548	14378	16059	17550	19181	20637	21929	23565	25651	

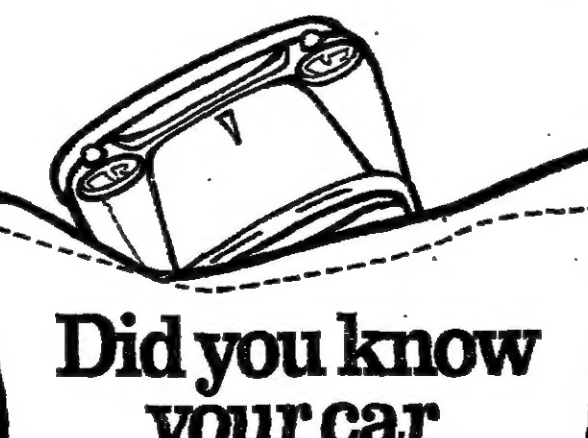
The Debentures specified above are to be redeemed for the said sinking fund at the **Corporate Trust Office of the Trustee, Receive and Deliver Window, 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York**, the main offices of Citibank in Amsterdam, London, Paris, Frankfurt Main or Milan or Citibank (Belgium) S.A., or at the offices of Banque de Paris et des Pays-Bas, Luxembourg or S.G. Warburg & Co. Limited, London or Banca Commerciale Italiana, Milan, as the Company's paying agents, and will become due and payable on July 1, 1979, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date. Coupons maturing on July 1, 1979 should be detached and presented for payment in the usual manner.

For ZAPATA OVERSEAS CAPITAL CORPORATION

By CITIBANK, N.A., Trustee

May 31, 1979



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Gwent

The first County in Wales

It would be very easy for us simply to tell you how well we make cars.

How after we've painted the paint, we paint it again.

How, if it comes away in your hand, it's all part of the design.

How we measure in millionths where others settle for yardsticks.

And so on.

YOU DON'T EARN THE BEST REPUTATION BY SHOUTING THE LOUDEST.

But if the paint blisters before you've clocked up five figures, bits drop off, or the car just doesn't measure up to expectations, you'd rightly feel we'd been telling tall stories.

You'd complain to anyone who'll listen.

And the word would get around.

The fact of the matter is, our cars have earned a reputation for reliability, performance and quality the hard way.

Not on paper. On the road.

It's worth remembering next time you put your money into a car.

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THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

Car sales: how Lada moves metal fast

BY MICHAEL THOMPSON-NOEL

MOVING METAL is how they describe the process of selling in that most serious, most aggressive of markets, the new car market. At least that's how they talk at Satra Motors, the Bridlington, North Humberside, subsidiary of the Satra Corporation of New York, which imports the Russian-made Lada range of cars into Britain and has provided, over the past five years, a textbook example of how to win sales and influence customers.

The key to Satra's success is that it totally dispenses with ethereal marketing jargon and gets on with selling. In 1974, the first year the Lada was imported into Britain from the giant Togliatti plant, total Lada registrations in the UK reached 2,364, a market share of 0.19 per cent. By 1976, says Satra, registrations were 8,540, and by last year 17,963, for a share of 1.13. Satra claims the Lada is the fastest-growing car franchise in Britain.

This year Satra expects to see 23,000 Lada registrations, or 1.36 per cent of the projected market total, which is not at all bad for a car that has had to fight for sales penetration in the wake of the ill-fated Moskvich, which ran into trouble in AA tests and with Which? magazine and is no longer imported.

Satra's biggest problem in 1974 was to overcome what it calls negative factors associated with the Moskvich. It also had to overcome brand awareness problems caused by confusion with Fiat, which supplied much of the start-up technology at Togliatti.

Price has played a major role in the Lada's success, competing as it does in what is essentially the middle of the low end of the UK hatchback market. The Lada 1200 saloon, for example (all prices March '79) costs £2,040, or £238 less than the Mini 1000; the Lada 1200 estate, at £2,340, costs £109 less than the Polski Fiat 125P estate, etc.

At first, Satra set out to preach the message that the Lada offered best value for money. Then it moved on to associating price with specifications, stressing the Lada's claimed ruggedness, durability and reliability. Satra says it offers an exhaustive after-sales service and that it has spent a great deal of money on training 150 skilled and semi-skilled mechanics.

Promotions are extensive, including a Lada newspaper and letters sent to all Lada owners, and this year's advertising budget, via the Graham Poulter agency in Leeds, has been raised to approximately £950,000—£500,000 on TV and £450,000 in the local Press. The advertising strategy appears to be successful. According to the latest research, a remarkable 91 per cent of all Lada owners say the Lada would be their first choice again if they were buying another car.

Above all, Lada concentrates on developing and improving its network of dealers, currently 190-strong. This year, half a dozen will sell 500 new Ladas each; another ten will sell 400 each, and the biggest — via three outlets—around 1,340. Satra sets some very stiff standards. Would-be dealers need a workshop, well-trained staff (Satra spent £40,000 last year on its Lada mechanics' school), used car sales expertise, adequate working capital and high-class management.

Satra goes to Herculean lengths to butter up its dealers, stressing in its new brochure: "When you become a Lada dealer we don't love you and leave you. You'll be entering a partnership. It's a philosophy aimed at mutual profit, one which in today's highly competitive market has already achieved outstanding results." As part of the bargain, Satra recently flew its dealers, plus their wives, to Nairobi for their sales convention.

It's a policy that works—a philosophy that is moving a lot of metal fast.

Campari, the sales Chaser

LORRAINE CHASE, the model who has travelled from the Old Kent Road to stardom via Luton Airport, is back where she started, making another commercial for Campari, which hits the TV screens this week. The smart advertising, shown above, has not only made a success of cockney chat; it has also done wonders for sales of Campari and is currently one of agency J. Walter Thompson's proudest campaigns.

Since the new advertising approach began in 1976 sales of Campari have sparkled, up 31 per cent in the first year and with another 20 per cent gain in 1978. More to the point the advertising has achieved its aim of broadening the appeal of Campari, adding younger drinkers and women to the traditional males who kept mixing it just with soda.

The first Lorraine Chase advertising attempted to titivate the mass market by singing the praises of Campari with lemonade, a more popular mixer than soda, and worked so well that by the end of 1978 Campari drinkers choosing lemonade had risen to 35 per cent of the total while the soda mixers had actually declined slightly, to 25 per cent. This is a great achievement for a drink, based on spirit, which costs more than the vermouths and has a dry taste for the English popular palate.

The new commercial, the third in the series, links Campari with orange, and takes Lorraine Chase to Hollywood. The smart locations hardly matter now that Campari is such a major advertiser. From its initial £12,000 budget in 1962 expenditure rose to £500,000 last year and now £1m will support the brand, mainly in the summer months, but with a Christmas top up. So its cheers all round.

● THIS week Elida Gibbs is relaunching Signal as Signal with Fluoride and spending £1m on the brand. Despite the appearance of Crest from Procter & Gamble Signal claims to have held its market share at around 10 per cent. Lintas is the agency.

● TWO major advertisers on the move are Whitbread Trophy leaving Allen Brady Marsh and 7 Up quitting Saatchi and Saatchi for Leo Burnett.

ANTONY THORNCROFT

Why Now! must stand a fighting chance

THE PLANS for Sir James Goldsmith's new current affairs magazine, Now!, were recently presented to the advertising industry in terms that must have struck an emotional response in the mind of Mr. Harold Evans of the Sunday Times who, in his own words, is now "going morosely about the business of impersonating a newspaper editor."

Mr. Anthony Shrimsley, the far from morose editor of Now!, chirpily described the policy of the new magazine. Every week, he said, it will offer a comprehensive package of information, comment, news, good writing, and photography.

"It will concern itself with significant events, not only internationally but in the worlds of art, literature, entertainment, and the range of activities from science to fashion or sport which shape the way we live.

"We shall not, however, simply react to events. We shall look beyond and behind them, explaining, analysing, and disclosing. We shall tell you not simply what has happened or will happen but why and how."

Harold Evans is entitled to ask if those functions are not precisely the ones that he performed with conspicuous success for more than 10 years until Times Newspapers suspended publication last November. The comparison is a valid one, first because it throws light on Now!'s claim to be something completely new in British journalism—a boast that may be more true of its format than its content—and second because the continued absence of the Sunday Times gives the new magazine its best chance of becoming established, both in terms of editorial and advertising revenue.

Now! will be launched on September 14, and will be published weekly every Friday. It will cost 50p and have a minimum of 112 pages of which no more than 45 per cent will be advertising. It will be printed on web offset presses in high quality colour and black and white on glazed paper.

Cavenham Communications, the publishing division of Sir James Goldsmith's international organisation, has produced a development issue of the magazine which is described as a working dummy designed purely for editorial purposes. Nevertheles, it gives an indication of what is going through the minds of Mr. Shrimsley and his colleagues.

The first 50 pages of the magazine are taken up with an arts and entertainment section and

Left: a dummy cover of the news magazine Now! Sir James Goldsmith, right, is said to be prepared to stake up to £7m on its success

its accompanying advertising. Apart from the television coverage, much of this part of Now! will inevitably have a strong metropolitan flavour. It is, of course, a failing of many quality publications that they tend to concentrate too much on life in London and the south-east, but none has so far led its pages with that bias.

To appear on the bookstalls throughout the country on Friday morning, Now! will have to go to press on Wednesday night, and that deadline will inevitably hamper the magazine in its self-imposed task of analysing the news in depth.

The dummy cover story, for example, hypothesises a major split in Mrs. Thatcher's Government. "A story of this nature," says Anthony Shrimsley, "would deal with the full ramifications of what the split was about, how it happened, who was involved, which parts they played, what would be happening next, and what the implications would be, not only for the Government but for its rivals in other parties."

Unless, however, the story broke early in the week, Now! would be telling us all about it some 10 days after the event, by which time the quality dailies and Sundays would have had a substantial bite of the cherry.

Perhaps for that reason it is not surprising that Mr. Shrimsley lays great stress on Now!'s ambitions to originate stories, and on the quality of the journalists whom he has recruited, in some cases by offering double the Fleet Street rates of pay.

Men like Patrick Hutber, who is leaving his job as City editor of the Sunday Telegraph to join Now!, Frank Johnson, the Daily Telegraph's Parliamentary sketch writer, who will be writing a column, and Clive Barnes, the theatre critic, are bound to contribute entertaining and readable articles.

Mr. Shrimsley is confident, too, that his team of reporters, recruited so far from the Sunday Telegraph and The Observer, will provide a succession of scoops.

Sweeping aside the conventional wisdom that in Britain the existence of a national Press, the breadth and variety of which is unrivalled anywhere else in the world, leaves no room for publications such as Now! Sir James says: "I have reached the conclusion that it is nonsense that Britain should be the only major western country that does not have a dominant news magazine.

In almost every European country where magazines are flourishing, however, television advertising is severely limited and there are no national papers. And in the U.S., Esquire magazine was recently sold, even though it had 650,000 readers and an income of £6m a year, because, in the words of a Madison Avenue executive, "no one really needed it. Readers have to need a magazine."

That, of course, will be the ultimate test of Now! For the time being, however, advertisers at least are likely to look on the publication with approval. Without the Sunday Times, and against the background of a shortage of TV advertising time, agencies are experiencing increasing difficulty in reaching ABC1 readers in colour. The magazine has already attracted advance bookings worth £750,000 for the first issue, even though the top advertisement rate of £3,000 for a colour page is relatively expensive for the 250,000 sales that the publishers are guaranteeing.

One thing is certain: Now! will not fail through lack of resources or determination. Sir James, who has twice before attempted to enter British publishing — first when The Observer was up for sale and then when Beaverbrook Newspapers was failing—is said to be prepared to commit £7m to Now! The launch budget of £2½m is a measure of his devotion to what is undoubtedly a brave if risky venture.

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For further information contact Brian Henry, Marketing and Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

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Salaries pay for quality, not seconds

BY MICHAEL DIXON

LIZ OWLES enunciated the principle loudly. "People on salaries are not paid by the hours they work," she said, "and that's how they differ from wage-earners. When you accept a salary you undertake to do your work to the standards required, regardless of how long or short a time it takes you."

There was momentary silence among the swarm of younger members around the bar of the Lyme Regis Sailing Club. But they evidently felt Liz's statement was remote from them. Swiftly they returned to more relevant topics. These traditionally include the costs and benefits of titanium main-sheet blocks, and whether it was really possible for Clive Banbury and Norman Patch to take only 30 minutes to plane back from Beer Head in an Albacore, albeit with the wind up in both senses of the phrase.

Older members, however, looked up from easy chairs with a tacit "Aye Aye." They probably have something in common with Mrs. Owles.

It lies in her having been distant from the mainstream of employment for some years since her metallurgist husband ditched his big-company job, and she joined him in selling ship's chandlery and jaunty outerwear. She has therefore not had her principles about work muddied by the recent tide of expediencies.

The cause of the weekend conversation was a considered judgment reached long ago by my acquaintances in the LRSC. The judgment is that, just as nature has provided chalk and cheese, so she has equipped some people to be serious sailors and others to write Jobs Columns. Conversations are directed accordingly, and thus someone had asked my views on schoolteachers' pay.

"Well, they think justice demands a further big increase from the Pay Comparability Commission," I said. "Yet on the working hours that seem to be legally established for them, they are already receiving an average of about £6 an hour.

Managers' pay

"To establish comparability between that and the pay of managers, you'd have to take account of managers' longer hours. Let's say that 46 weeks of 35 hours is the minimum they could get away with — which isn't overgenerous to them — and deduct four of the weeks to allow roughly for differences in average perks. At £6 an hour, the comparable average pay among managers would have to be £8,820 a year. But I'm sure it's still a good way short of that."

Someone objected that schoolteachers did a lot of work in their own time.

My reply was that some did, and others did not — just like managers. Anyway, the Appeal Court had evidently decided that free-time work by teachers did not count towards their contract, in the sense that it wasn't what they were paid for.

As a result the National Association of Schoolmasters and Union of Women Teachers appeared legally justified in claiming that schoolteachers' salaries (which among the 482,000 in England and Wales now average above £5,653 plus £6 a month in anticipation of the further boost from the Comparability Commission) cover only five hours' work a day for 190 days a year.

It seems odd that this haggling over hourly rates should be the special concern of the NAS-UWT. In terms of teaching, the "shopfloor" union is the National Union of Teachers whose 258,000 members include a large majority of junior staff. The 112,000-strong National Association of Schoolmasters and Union of Women Teachers is much more a "craft" union. It represents largely more senior staff, and subtitles itself "The Career Teachers' Organisation."

But in Terry Casey the NAS-UWT has an entrepreneurial general secretary, and its executive leaves him free enough to seize opportunities as they arise. And the particular opportunity which concerns us was provided by the Inland Revenue which decided not long ago that out-of-hours activities such as meetings with parents were part of teachers' contractual duties, and the associated travelling expenses were therefore taxable.

Mr. Casey's response was to offer the local education authority employers a choice. They could either formally declare that out-of-hours duties were not part of schoolteachers' duties, or be disarrayed by the withdrawal of his members' co-operation.

Suspicion

Some cynical local authorities suspected that their making such a declaration might be followed, after a decent interval, by another suggestion from the NAS-UWT. It was that since the non-contractual activities were after all essential to the good running of a school, the out-of-hours work should be rewarded by paid overtime.

But the majority of the education authorities nevertheless made the declaration as required and, Hey Presto, here we have schoolteachers officially paid at a full average rate of just over 10p a minute.

Which is where Liz Owles sailed in with her refreshing reminder of sound principle. Of course there is a difference of kind, though not of intrinsic merit, between work whose results can be effectively controlled by a separate supervisor, and work whose results depend largely on the discretion and skill of the person doing it. Of course the externally controlled kind of work can be measured and rewarded sensibly by the time spent in doing it, whereas the discretionary kind cannot. And of course schoolteaching is at present essentially a discretionary job.

So teachers would seem to face an inescapably logical choice. If they want to be paid by the clock, they must ask for their work to be "deskilled" and regimented so as to be amenable to supervisory control on shopfloor lines. If not, they must accept that the payment of their salaries obliges them to produce results of the required standard —which for primary-school staff might include training all normally capable children in basic literacy and numeracy—regardless of how much or little work outside the classroom they must individually do to achieve those results.

Whether the Comparability Commission is empowered to face teachers with that choice, I doubt. But in any case the decision is in the teachers' own hands. My impression is that the majority see themselves as principled professionals, and if they want to be publicly viewed as such rather than as Vicars of Bray, they must make it known in their unions.

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Divisional Accountant

North West, c. £10,000 + car

The division, part of a major international engineering group, has a turnover of £40M, employs 2200 and is engaged in medium/heavy engineering and contracting. Reporting to the Financial Director, the successful candidate will take control of working capital levels and cash flow planning. In addition, he/she will play a vital role in assisting the Financial Director in budgeting and forecasting, and will carry out a variety of projects of a more general business nature throughout the division. Prospects within this financially orientated group are outstanding. Candidates, aged 27 - 33, will be qualified accountants with relevant experience gained, ideally, in an engineering/contracting environment. Generous benefits include relocation assistance.

G.E. Forester, Ref: 18220/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

DREXEL BURNHAM LAMBERT INCORPORATED

International Bond Sales

We are looking for an ambitious and energetic person to join our expanding International Bond Sales and Trading Department.

The successful applicant will be given every opportunity and support to develop further our business worldwide but needs to be self motivating and experienced in servicing fixed interest investors at the highest level.

Salary will be negotiable but full consideration will be given for experience and ability, and an important package of fringe benefits is available.

Please apply in confidence to:

Roger Jospé,
Senior Executive Vice-President,
Drexel Burnham Lambert Inc.,
Winchester House,
77, London Wall,
London EC2N 1BE.
Tel. No.: 01-628 3200

AREA MANAGER

Saudi Arabia

£12,000 to £15,000 tax free
& Family Fringe Benefits

The Company's principal interests are in food-stuffs–Agency business, Coldstore management, Wholesaling, Retailing and Catering. Their main sphere of activities is in the Near and Far East.

They require a Manager aged between about 35 to 40 to control overall operations in a main area of Saudi Arabia where they are established and expansion there requires a responsible person with proven administration and marketing experience.

Overseas experience is desirable. Efficiency and a disciplined approach coupled with diplomacy and tact most essential.

Applications to the Personnel Director,
Box No. 306, Streets Financial Limited,
18 Red Lion Court, Fleet Street, London EC4A 3HT.

Assistant European Financial Controller

to £15,000 total package

Our client is a very profitable and rapidly expanding international company with a turnover of approximately US$500 million, engaged in construction material and quarrying activities. Recent changes in the financing structure of the company has created this new senior post in the European group.

The Assistant Controller will assume some of the functions currently performed by the Group Financial Controller as well as taking on certain new activities. The working relationship will be a close one and the final split of responsibilities will not be decided until the appointment is made. Visits to European subsidiaries are likely to form about half the total workload.

Aged around 30, candidates should have a recognised senior accounting qualification and, preferably, a university degree in economics or commerce. At least 8 years' professional experience must include exposure to international corporate operations and 5 years' in a senior financial post. English as mother tongue is required and fluency in Spanish, Italian or German would be advantageous.

This challenging post will be based near London initially but may later be centred elsewhere in Europe, in which case the total package will be reviewed.

PA Personnel Services

Ref: AA60 6911 FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Sotheby's

U.K. Chief Accountant

Sotheby's wish to appoint a Chartered Accountant to a newly-created post of U.K. Chief Accountant. The U.K. Chief Accountant will be located in London and be directly responsible to the Group Chief Accountant. The main tasks will be to co-ordinate and control the management and financial accounting systems and reports which have been established for the London operations and to take over responsibility for the expanding self-accounting provincial auction operations in the U.K.

Qualities of leadership and organising ability are essential. A knowledge of EDP and experience of managing an accounts department in a commercial business would be advantageous.

The preferred age range is 33-38. The salary will reflect the importance and responsibility of the post.

Applications, enclosing a full job history, to:

Mrs. S. Chapman, Personnel Manager,
Sotheby Parke Bernet & Co.,
34-35 New Bond Street, London W1A 2AA
Telephone: (01) 493 8080

WOLFSON COLLEGE, CAMBRIDGE

APPOINTMENT OF COLLEGE BURSAR

The Bursarship of Wolfson College, Cambridge, will become vacant on or before 30th September, 1979. Those interested in applying for the Bursarship should apply in writing to the President, giving the names of two persons to whom reference may be made and enclosing a *curriculum vitae*. The closing date for the receipt of applications is 15th June and it is intended to make an appointment as soon as possible after that date. The College reserves the right to fill the vacancy by invitation.

Wolfson College, Cambridge CB3 9BB

Group Financial Director

Nottingham *Furniture Industry*

The Stag Furniture Group, consisting of the Avalon, Meredew and Stag Cabinet furniture companies, with a turnover in excess of £30m. seeks a Group Financial Director. The successful candidate will become a member of the Main Board and will be responsible for the management of the Group's financial operations. The position is based at the Group Headquarters in Nottingham and the main duties envisaged are:

- **Determining future financial requirements and developing proposals for the provision of additional funds or the investment of surplus funds**
- **Advising the Group Board on the financial implications of proposed policies**
- **Undertaking the financial evaluation and consolidation of Group and Company Business Plans**
- **Providing Group financial statements and management control data.**

The successful applicant, who will have a recognised accounting qualification, is likely to be a Financial Director or Group Financial Controller in a manufacturing company whose turnover will not be less than £10m. Preferred age range 35-45 years. Recognising the importance of this appointment to the future of the Group, the salary offered will be commensurate with the status of the appointment. In addition, there is a bonus related to profits and a car, plus the usual fringe benefits.

Please write stating age, current salary and how you meet our Client's requirements quoting reference GF/4025/FT on both letter and envelope. Men and women are invited to apply. No information will be disclosed to our Client without permission.

Urwick, Orr & Partners Limited
Management and Selection Consultants
Baylis House, Stoke Poges Lane, Slough SL1 3PF

هكذا من الأصل

هكذا من الأصل

Banking-Kuwait

c.£16,000 Tax Free

A leading Kuwaiti bank with branches throughout the country is strengthening its accounting and internal auditing functions and wishes to recruit the following financial executives over the next few months.

In all cases candidates, aged 30 to 45, should have sound relevant experience, including familiarity with EDP applications. Experience in banking or a finance house would be an advantage as would an accounting qualification i.e., ACA ACCA or ACMA.

Senior Internal Auditor

To lead and develop an existing team of auditors and inspectors. He will ensure the continuing effectiveness of the auditing function in conditions of rapid growth and diversification. Ref. B.1016-4.

Financial Accountant

To assume control of all financial accounting and reporting activities and to expand the use of EDP. Ref. B.1016-5.

Management Accountant

To develop and manage comprehensive profit planning, budgetary control and profit centre accounting. Ref. B.1016-6.

Salaries are tax free, and the contracts, which offer career prospects, include furnished accommodation, annual home leave and assistance with children's education.

Please send brief personal and career details – in confidence – to A. R. Duncan, quoting the appropriate reference.

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

MSL

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Oil and Gas Exploration

Offshore

Taylor Woodrow Construction Limited, the operating company of a newly formed Oil and Gas Exploration Group, wish to appoint the following senior personnel to join their team supervising an extensive onshore exploration programme in the United Kingdom.

Drilling Engineer

Reporting to the Project Director his/her responsibilities will be divided between planning and control activities in London and supervision on site.

Work will include planning of the drilling programme, negotiations with contractors and supervision during the drilling phase. Good man-management and proven experience of cost control are essential.

Candidates should have at least 8-10 years experience in drilling and workover operations and must be qualified to Degree level in Mechanical or Petroleum Engineering.

Senior Geologist

The Senior Geologist will be responsible for carrying out regional and detailed geological studies and recommend appropriate programmes for future exploration. He/she will define the geological objectives for an onshore drilling programme and be responsible for monitoring the geological data obtained from drilling.

He/she will report to the Project Director and be based in London although visits to field locations will be required.

Candidates should have a University Degree in Geology and at least 10 years experience in field work and sub-surface geology.

These senior positions offer excellent salaries plus company cars and the kind of conditions of employment and fringe benefits to be expected from a large international organisation.

For more information please write giving brief details of age, experience and career to date to **Personnel Manager (Ref: RCP), Taylor Woodrow Construction Limited, 345 Ruislip Road, Southall, Middx. 01-575 4596.**

Construction

Taylor Woodrow

FOREIGN EXCHANGE MANAGER

Age 28-45 **£ negotiable**

Our Client, an International Bank of high repute, is establishing a full branch in Hong Kong, scheduled to open at the end of this year. The requirement is for a fully-experienced Banker, to control the complete Foreign Exchange and Money Market operation, and to assist in the overall development of the branch. Candidates should have at least five years' experience in a Senior Dealing capacity, and be able to show a proven and successful track record with good-name Banks. The successful applicant will undergo an orientation programme at the Head Office and other world-wide Dealing centres, prior to relocation.
This is a challenging opportunity to assume a senior career position within an initially small executive team, and to build up a dealing operation in one of the Bank's main chosen Foreign Exchange centres.
The remuneration package will be exceptionally generous, and fully commensurate with qualifications and experience.

Please contact, in strict confidence, Rod Jordan (General Manager)

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

Financial Administration

West End **c.£10,000**

A publicly quoted property development and investment company with an enviable reputation seeks a qualified Chartered Accountant or Chartered Secretary, aged 25-35, to assume responsibility for all administrative, statutory and financial matters.

As part of a very small head office team you will be expected to work without supervision in ensuring that the directors and executives are able to operate efficiently. It is important that the person appointed is prepared to complete numerous tasks without assistance and is able to identify those that really do have priority.

An exacting job, a demanding environment, but a role which is recognised as essential. Opportunities in the future are commensurate with one's own ability.

Contact John P. Sleigh, ACCA on 01-405 3499 quoting reference JS/441/FAF.

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

Merchant Banking
Corporate Finance

Our Corporate Advisory Division continues to expand and we are seeking additional executives with the potential to make a significant contribution to our business.

They are likely to be aged between 24 and 34 and to have obtained a professional qualification in accountancy or law or have a business school degree. It will be an advantage, particularly for older applicants, if they have acquired post qualification experience relevant to our corporate finance activities.

Successful applicants will be offered an attractive salary and benefits package coupled with excellent prospects.

Applications, with a concise curriculum vitae, should be sent in strictest confidence to:

**David Reed, Director,
County Bank Limited,
11 Old Broad Street,
London EC2N 1BB.**

County Bank
A member of the National Westminster Bank Group

FINANCIAL ACCOUNTANT

LLOYD'S BROKERS

City **up to £15,000 plus car**

A well-established Lloyd's broking Company with brokerage approaching £1 million require a qualified accountant to take responsibility for the whole of the accounting function of the company.

Candidates must have a good working knowledge of the Lloyd's insurance market and previous experience as an accountant with brokers is essential.

Please apply in confidence giving details of career to date, quoting reference number son/961 to:

NEVILLE RUSSELL & CO.
30, Artillery Lane, Bishopsgate, London E1 7LT.

LAING & CRUICKSHANK

are seeking an

INSURANCE ANALYST

The successful applicant would work within the established specialist financial team covering the composite/life sectors.
Candidates of the quality we seek would be expected to develop their own research. Some experience of the industry would be desirable, but is not essential as the prerequisite is an ability for cogent written and verbal presentation of research. The position is important, and therefore has excellent prospects. The remuneration, including profit-sharing and non-contributory pension scheme, will be fully competitive.
Please write in confidence to B. J. Lardner, Laing & Cruickshank, The Stock Exchange, London EC2N 1HA.

SENIOR ADVERTISEMENT SALES EXECUTIVES

wanted for

FINANCIAL TIMES WORLD BUSINESS WEEKLY

The Financial Times magazine, for the businessmen of the Americas, is looking for two further Senior Advertisement Sales Executives.

U.K. EXECUTIVE
The responsibility of this executive is selling to major financial institutions and London and home counties advertising agencies.
Age 20-30, with financial and agency selling expertise.

EUROPEAN EXECUTIVE
The responsibility of this executive is to promote and sell W.B.W. throughout Europe to major agencies and companies.
Age 25+.
Languages required.

Attractive salary, plus car is available to successful applicants.

Please write to:
The Personnel Officer
The Financial Times
Bracken House
10 Cannon Street
London EC4P 4BY.

Merchant Banking
Corporate Finance

Samuel Montagu & Co. Limited have a vacancy for a junior executive in their corporate finance division. The successful applicant will probably be between 24 and 26, with an accountancy background.
Apply in writing (with curriculum vitae) to:
J. R. Gillum,

Samuel Montagu & Co. Limited
(Incorporating Drayton)
114 Old Broad Street, London, EC2P 2HY.

International Hospital Management—Finance Department

salaries equivalent to £16,000 and £24,000 tax free +bonus

A United Kingdom based international medical group – the only British competitor in its field – is planning its expansion in the Middle East and elsewhere in the developing world. To accelerate the pace of this expansion the group wishes to make two senior appointments to its operations.

Financial Controller

Responsible for providing financial advice to the executive committee, for representing the finance department in dealings with external bodies, for budgetary control of a programme with an annual expenditure equivalent to approximately £80 million, and for a departmental staff made up almost entirely of expatriates, the ideal candidate will be a graduate chartered accountant in his early thirties, experienced in information systems, whose commercial judgement is buttressed by his professional skills. Salary £24,000 tax free + bonus. Ref MCS/3756.

Auditor

Responsible for an independent appraisal review of accounting financial and operational controls, for developing a programme for auditing the data processing procedures and systems planned for installation, for auditing the security of the hospitals computer operations, he will be a young chartered accountant, trained in one of the larger firms, used to following computerised audit trails and able to present recommendations simply and clearly. Salary £16,000 tax free + bonus. Ref MCS/3757.

These appointments are challenging ones in an area of accelerating economic development. The operating base is Riyadh. The environment is cosmopolitan and the standard of living as expressed in terms of material comfort is high.

Contracts are for two years with four weeks leave every six months. Generous fringe benefits include free first class air travel, top class accommodation, education allowance and children's holiday passages.

Please send a curriculum vitae to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting the relevant reference. Letters will be acknowledged and forwarded to the client. List separately any organisation to which you do not wish your curriculum vitae to be sent.

Price Waterhouse Associates

Finance for Innovation

Business Development Executive

This is a new appointment within a British financial corporation which advances investment capital to industrial companies developing new technology into marketable products; immediate funds £20m.

Accountable to the Marketing Director this executive will identify and visit UK companies, particularly those in the high-technology sectors, to present the Corporation's methods of finance to directors and senior executives.

Candidates aged 28 to 40 must be graduates with the ability and experience to discuss investment proposals at boardroom level.

Salary about £10,000, car, attractive pension scheme, London based.

Please send application and career details – in confidence – to Dr. E. A. Davies ref. B.40344.

This appointment is open to men and women.

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

MSL

International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

A LEADING
EUROPEAN CONSULTANCY
LOOKING FOR

4 Senior Experts for 2 to 3 years assignments in English-speaking African countries
1 Senior Expert in Development Banking
1 Senior Expert in Bank Middle Management Training
2 Experts in Export Marketing.
The appointees must have 10 years' experience in their field, good health and a successful experience of Africa.
Lodging and other usual facilities provided.

Send CV, photo and present remuneration to Box F.1115, Financial Times, 10 Cannon Street, EC4P 4BY.

REQUIRED FOR A PROMINENT

INSURANCE COMPANY

IN THE GULF AREA

Ambitious young man willing to work in Saudi Arabia, United Arab Emirates or the State of Qatar. Age not less than 25 and not more than 35. Attractive remuneration plus housing, transport and termination of duty compensation. Applicant should have at least three years' experience in one branch of insurance.

Please apply to Box A.6790, Financial Times, 10, Cannon Street, EC4P 4BY

EMA

YOUNG CHARTERED ACCOUNTANT
Banking

City — c £8,500 + major benefits

Following the rapid promotion of the previous accountant the appointee will understudy the Financial Controller and receive a broad introduction to the Bank's operations. Monitoring and extending the computerised accounting systems, he or she will develop the important liaison with branch management in order to provide effective internal control.

Our client is a US regional bank expanding its base in the UK and overseas. With the emphasis on foreign exchange, export finance and leasing, it offers excellent promotional opportunities. Applicants should be chartered accountants aged 24-27 from the profession or industry. Please telephone or write to Stephen Blaney B. Comm., ACA quoting reference I/1841.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

ROWE & PITMAN

Engineering — **Food Manufacturing**

ROWE & PITMAN HAS TWO RESEARCH VACANCIES:

1. An ENGINEERING analyst to join a specialist sales/research team which is being formed to develop our existing strength in this sector. This position requires an analyst who has already gained some experience of the sector and is now seeking to widen the scope of his/her activities.
2. A FOOD MANUFACTURING analyst. This presents an attractive opportunity for an analyst capable of developing our research presence, against a background of our contacts within the industry.

Competitive salaries are being offered together with a profit-sharing bonus scheme and non-contributory pension scheme incorporating good life cover.

Applications in confidence with full curriculum vitae to:

P. N. Smith, Esq., Staff Manager
MESSRS. ROWE & PITMAN
1st Floor, City-Gate House
39-45 Finsbury Square, London EC2A 1JA

Financial Director
London ● c.£15,000+car

The Company. A wholesaling company with a turnover of around £30m. operating from branches throughout the U.K.

The Job. Reporting to the Managing Director with responsibility for the accounting function. The key task will be to maintain tight financial control of cash flow and profitability.

The basic requirements. A qualified accountant aged 34-42 with proven experience of administering a large accounts department processing a high volume of transactions. Practical knowledge of computerised accounting systems.

The Candidate. A self-disciplined organiser and motivator of staff with several years' management service in a substantial trading company.

Career details which will be forwarded in confidence to our client's professional advisers should be addressed in the first instance to the Appointments Manager, Bull Holmes Bartlett Limited, 45 Albemarle Street, London W1X 3FE. Please quote ref. no. 522 on your letter and envelope.

Bull Holmes Bartlett

Internal Audit
London c. £8,000

Enlightened management have been aware for many years of the importance of Internal Audit in reviewing the conduct of business. This is particularly true with Shell, who place great emphasis on it.

An Internal Auditor at Shell is regarded as being part of a management team which approaches its work with a management viewpoint, selectively reviewing operations at all levels throughout the company.

The position is one of responsibility and challenge, requiring a high level of analytical and critical skill, coupled with a creative and thorough approach.

Candidates will be Chartered Accountants, preferably graduates aged 25-28 years who recognise the value of Internal Audit in providing an essential base for a progressive career structure.

After 2/3 years we shall expect you to advance through a series of positions within our finance activities, each entailing progressively greater responsibility. Opportunities for personal development and stimulating employment either in the UK or overseas are guaranteed, although progress, as you would expect, will depend on performance.

We are offering a remuneration package of about £8,000 depending on ability and experience.

Please write with a full resume of your career to: Shell International Petroleum Company Ltd, Recruitment Division, (FT) PNEL/21, Shell Centre, London SE1 7NA. Telephone (01) 934 2405.

Shell

Corporate Lending Officer
£10,000+ Major international bank.

The London office of this international bank is in itself one of the largest banks in the world. Its continuing rapid growth provides outstanding career opportunities. It is now seeking an able young banker to take on full responsibility for a discrete sector of its corporate lending.

The main reason for leaving your present position would be to test your ability to the limit in a highly challenging environment. You should already have considerable experience in corporate or commercial lending, with a belief in the need for professional marketing as well as technical competence in banking. Age: mid 20's to mid 30's, preferably with university qualification.

Salary is highly competitive, and the Bank provides an excellent range of fringe benefits.

When you write to us, please state to which companies you do not wish your application to be forwarded.

Apply to: Damian Rollo-Walker, Universal McCann Ltd., 18 Howland Street, London W1P 6JQ.

Universal McCann

West London — **c.£8,500+Benefits**

Operations Review
The route to line management

A well known group with varied interests is seeking a young accountant, preferably Chartered, with post qualification experience and the potential to progress to a financial management role.

Reporting to the Finance Director you will be responsible for the review of financial and operational controls and procedures and carrying out special exercises for him. This will entail investigating and reporting on all aspects of the business, requiring plenty of initiative and strong communicative skills.

The prospects are considerable as demonstrated by the promotion of the previous incumbent. With generous benefits and a salary review in December, this is an extremely attractive opportunity for a young accountant seeking experience and responsibility.

Contact David K. L. Tod, BSc FCA on 01-405 3499 quoting reference DT/338/WLF.

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA — *01-405 3499*

BERMUDA'S FIRST BANK
requires:

AN INTERNAL AUDIT INSPECTOR

The successful applicant will be a chartered accountant, or the equivalent, with experience in internal auditing at a responsible level and will oversee the internal audit function of the bank in Bermuda and its subsidiaries.

The position offers a salary commensurate with qualifications and experience. Excellent employee benefits, relocation allowance and air fare. Selected applicants will be interviewed in London in June.

All interested applicants should submit a resume for the attention of:

T. H. Davis
Assistant General Manager—Personnel and Administration
BANK OF N. T. BUTTERFIELD & SON LTD.
P.O. Box 195, Hamilton 5-24, Bermuda

The Bank of N.T. Butterfield & Son Limited
Bermuda's First Bank.

JAMES CAPEL (U.S.A.) LTD.

REGISTERED REPRESENTATIVE

We have a vacancy in our London office for a registered representative to service institutional clients in the UK and overseas on the American market. The position is supported by comprehensive U.S.-based research and direct line communications to the United States.

Compensation will be competitive, and in line with general U.S. practice.

Please reply in confidence with résumé to:

D. Schulten, Personnel Manager,
James Capel and Co., Winchester House,
100 Old Broad Street, LONDON EC2N 1BQ.

Merchant Banker

A manager is required for a Merchant Banking subsidiary of a substantial Public Company with world wide international trading and manufacturing interests. The essential attributes of the successful applicant will include general merchant banking experience in the City, a successful record of assessing and developing new business, particularly advances, and suitability for appointment to the Board in due course.

Location London, W1. Remuneration and other benefits negotiable.

Applications, stating any Bank to whom details should not be forwarded, to:

The Deputy Chairman, c/o Hill Vellacott (Ref. TH/273),
Hanging Sword House, 21 Whitefriars Street,
London EC4Y 8AL.

THE BRITISH PAPER AND BOARD INDUSTRY FEDERATION

FEDERATION SECRETARY

THE BRITISH PAPER AND BOARD INDUSTRY FEDERATION, located in central London, is seeking a new Secretary to replace the currents one who has become a Member of Parliament. The task is an amalgam of administration, legal matters, personnel, membership queries and co-ordination.

The new Secretary could be any age from 30 to 55 but with strong administrative experience, probably an FCIS, and with a determination to manage succinctly minor and major issues alike in support of small but effective Federation staff which covers Industrial Relations, Trade and Technical matters for the UK Paper and Board Industry. Ability to understand French is highly desirable.

Conditions of service and fringe benefits excellent.

Those interested and able to fulfil the above conditions, please write in confidence to:—

Mr. J. H. Adams, CB, MVO, Director General,
The British Paper and Board Industry Federation,
3 Plough Place, Fetter Lane, London EC4A 1AL.

FINANCIAL CONTROLLER
INVESTMENT HOLDING COMPANY

Central London — **Age 30—35** — **£12,500 upwards + benefits**

The company The Management centre for a rapidly expanding group with United Kingdom and North American interests. Excellent working conditions support a small, highly committed management team.

The position There will be financial and secretarial responsibility for five companies within the Group, and close involvement with a Christian Trust. There should be opportunities for travel, and scope for development within the Group.

The person A qualified accountant with business experience is required. In addition, a Company Secretarial qualification or experience is highly desirable. The successful candidate should enjoy both pressure and variety.

Please apply in the strictest confidence to Ian Willis

Right Match International Limited
5 St James's Place, London SW1A 1NP
Telephone: 01-491 4737 Telex: 97180
24hr telephone answering service

Group Financial Controller
South East
up to £15,000 + car

Our client is a leading British Group with diverse and expanding international interests and a turnover exceeding £120 million.

Following a promotion, it has retained us to recruit for this major new position within its restructured Group finance department. Reporting to the Finance Director, the role involves responsibility for the Group accounting, management information, treasury and internal audit functions.

Candidates, chartered accountants, will already be holding similar positions and will be able to match technical competence with the managerial skills necessary for operating at the highest level. Specific technical skills required include sound consolidation and statutory and financial accounting experience and good taxation knowledge.

Applications, which will be treated in strict confidence should contain relevant details of career and salary progression, age, education and qualifications.

Please write to A. C. Crompton quoting reference 798/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Finance & Administration Manager

City of London — **c. £10,000 p.a.**

A progressive and well established banking and financial services group is seeking to fill this important position in its management team.

The preferred candidate will have an accounting or related qualification, be aged 30 to 45 and enjoy the challenge of a dynamic environment. Personnel management ability is essential. The successful candidate will be suitable for promotion to the Board within a period of 2/3 years.

Please apply for application form to
Box No: A 6788 Financial Times, Bracken House, 10 Cannon Street
London EC4P 4BY

Financial Controller

Fluent French Essential
Ivory Coast, to £30,000 plus accommodation, car, etc.

In 1978, a major international London-based Group which manufactures and distributes office equipment and supplies world-wide opened a subsidiary in the Ivory Coast. This fast developing country has facilities rapidly approaching European standards, and growth potential is substantial. The person appointed will control finance and administration within the subsidiary, reporting directly to the (French) General Manager and functionally to London. Initial objectives include the design of systems and procedures, ultimately computerised, to provide sound financial controls and information for local and Group management. Strong support is available from Head Office. Career prospects in UK or overseas are outstanding. We require the complete all-rounder, technically and commercially strong and with management skills at all levels. Candidates, probably 30+ must be qualified, ideally with large company and responsible line experience, and a period spent within a developing country would be useful.

H.W. FitzHugh, Ref: 20095/FT

Candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Export Sales Manager

S.W. of London, c. £9,000 + Car

The company is a successful manufacturer of a range of small capital equipment which is marketed worldwide. Turnover is over £30M and it forms part of a major British engineering group. Due to continued growth, an additional Export Sales Manager is required, to join the export department and take control of an overseas territory. Main responsibilities will include the maximization of sales through a distributor network and to OEM's and establishing product specifications with end users in industry and public sectors. Candidates, aged 26 - 32 and probably qualified engineers, must be fluent in one foreign language. Industrial export sales experience will have been gained, ideally in Africa or the Far East. Excellent benefits include generous relocation aid.

G.E. Forester, Ref: 18219/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Job Search OPPORTUNITIES

- 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.
- As Europe's most experienced Job Search organisation we can provide you with all the facilities you need to build up contacts and locate your next employer.
- Our expert career advisory service is essential to executives who become vulnerable to the current fast changing market conditions
- Telephone us for a cost free assessment meeting.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings,
Trafalgar Square,
London WC2.

MONEY BROKERS

Sterling/Foreign Exchange

A few of our current assignments are listed below. Candidates for these vacancies should have at least two years' dealing experience in banking or broking:

LOCAL AUTHORITIES DEALER to £15,000
£ INTERBANK BROKER c. £10,000-£12,000
SPOT/FOREX BROKERS for Middle East and Luxembourg postings.

Please contact:
BRIAN GOOCH or SOPHIE CLEGG
01-623 1266
JONATHAN WREN
BANKING APPOINTMENTS

Director-Finance and Administration

Our client is a major manufacturer of materials for conversion by a host of user industries. Turnover is £85m. with substantial growth in prospect.

The Finance and Administration Director has a staff of 100 in accounting, DP and HQ administration. The need is for tight operating and capital cost controls, improved information and management systems and a positive contribution to company planning and direction. Prospects could lie in general management.

Candidates must be qualified accountants from age 35, thoroughly versed in modern financial management including DP applications. Already senior managers, they will come ideally but not necessarily from process manufacturing industry.

Salary around £14,000; car, re-location help. Location West Midlands.

Please send career details – in confidence – to
D. A. Ravenscroft ref. B.25487.

This appointment is open to men and women.

MSL
United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
Management Selection Limited
International Management Consultants
474 Royal Exchange Manchester M2 7EJ

2 Experienced Banking Officers

Chase Manhattan Bank NA

Chase Manhattan has been long established as one of the most successful international banks operating in London. We are now anxious to recruit ambitious young professionals with previous banking experience to join Chase in London as Senior Lending Officers.

If you thrive in a competitive environment and would welcome the marketing challenge of negotiating with senior financial management this is an excellent opportunity to achieve your full career potential. You will be managing banking relationships with a wide range of national and international financial institutions.

Probably 25/35 years of age, and a graduate, you should have a good knowledge of commercial and correspondent banking gained with a merchant, foreign or clearing bank. You would already be well acquainted with both the Sterling and Euro-currency markets. A corporate finance/bank lending background is highly desirable and your experience would include credit analysis bank operations and negotiating at a senior level.

An attractive salary will match your ability and potential and will be supplemented by a substantial range of fringe benefits.

Applicants, male or female, please write with full career details and present salary details to:
Mr. Keith Stoneman, Chase Manhattan Bank NA,
Woolgate House, Coleman Street, London EC2.

CHASE

Hotel Finance Manager

Paris c. £15,000
+ accommodation etc.

One of the leading hotels in central Paris is being reorganised under new management and requires a qualified accountant to develop and manage new financial controls and accounting systems.

The person appointed, who will report to the chairman and general manager, will probably be between 35 and 45 years of age and will be experienced in all aspects of accounting and financial control in a top class hotel – preferably in France.

Fluency in French and English is necessary.

In addition to salary, which is negotiable, accommodation and other appropriate benefits will be provided.

The position is a responsible and demanding one, but the compensation – present and future – is worthwhile.

For an application form, write in confidence showing how you meet the specification and quoting reference 3158/L. to J. H. Cobb, Peat, Marwick, Mitchell & Co., Executive Selection Division,

165 Queen Victoria Street,
Blackfriars,
London, EC4V 3PD.

Peat, Marwick, Mitchell & Co.

Account Executives-Credit Financing

Arabic Speaking

These are new appointments with an internationally owned finance house providing promotional support to a major capital equipment distributor. Based at Riyadh or Dammam, the appointed candidates will work closely with the distributor's sales teams in the negotiation of finance terms, and will subsequently underwrite and ensure compliance with credit agreements. Given success, promotion to Branch Manager should follow.

Candidates may have a banking or possibly an accounting qualification. Relevant instalment financing experience, gained within a finance house, joint stock bank or the credit department of a major organisation, is essential as is an ability to speak Arabic.

Two year renewable contracts will include free accommodation, car and a tax free salary around £14,000.

Please send full personal and career details – in confidence – to A. R. Duncan ref. B.1090-3.

MSL
United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Financial Analyst

Midlands • c.£9,000+car

This is a key appointment in the central finance team of a substantial £ multi-million group engaged in diverse manufacturing and trading operations throughout the UK and Europe.

Reporting to a senior financial manager, his/her prime task will be to evaluate acquisitions, appraise competitor performance, analyse specific industrial sectors/companies and assess external reports insofar as they concern the group's business activities. Responsibilities will also include internal financial investigations related to capital projects.

Candidates will ideally be in the 26-35 age bracket with appropriate graduate/professional qualifications backed by at least 3 years relevant financial analysis experience, especially in the acquisition field, in a large commercial organisation.

Salary is negotiable as above with pension, free life assurance, assistance with relocation expenses and the usual large company benefits.

Please write, in confidence, with brief relevant career details, to M. G. Johnson, at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE quoting ref. 832.

Bull Holmes
PERSONNEL ADVISERS

Financial Controller

Lloyds Brokers : EC3

A Qualified Accountant is sought for an established firm of Lloyds Brokers. Previous Insurance experience is not essential.

For further information please contact Mr. D. R. Whately. His private telephone number is 01-623 9227 and the reference is 471.

WHATELY PETRE LIMITED,
Executive Selection,
6 Martin Lane, London EC4 0DL.

WPL

INTERNATIONAL BANKING

INTERNATIONAL SECURITIES c. £7,000
Extremely active U.S. bank seeks a young person with comprehensive experience of the operational aspects of international investment management.

EUROCURRENCY LOANS ADMIN. to £6,000
The essential requirements are good practical knowledge and experience, the ability to absorb pressure and the capacity to undertake increasing responsibility.

CREDIT ANALYSIS c. £6,000
Medium-sized (as yet!) international bank seeks a young banker with a decent training in credit analysis and the potential both to use and develop upon it.

MANAGEMENT ACCOUNTS to £4,000 - £5,500
Two or three of our clients offer excellent career opportunities to young people with a sound background in international bank operational accounting and reporting.

YOUNG BANKERS/GRADUATES/SCHOOL LEAVERS
We have a continual requirement in one or more of these categories for youngsters who are keen to start or develop an international banking career.

Please telephone Ann Costello or John Chiverton, A.I.B.

JOHN CHIVERTON ASSOCIATES LTD.
31, Southampton Row,
London, W.C.1.
01-242 5841

Group Secretary

London

For an important British public group with an excellent record of growth and profitability; profits now in excess of £6m. The successful candidate will be responsible for all aspects of the secretarial function and the general administration of the group; there are good prospects of further advancement.

Candidates, ideally in their 40's, must be graduates or be professionally qualified and have gained appropriate experience in a public group.

Salary is negotiable about £12,500 plus car, excellent pension.

Please write with brief details – in confidence – to J. M. Ward, ref. B.41370.

This appointment is open to men and women.

MSL
United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

INVESTMENT MANAGEMENT

PORTFOLIO MANAGER

An opportunity arises in this company for a young, experienced private client portfolio manager. He/she will probably be in his/her late twenties, and will have had several years experience in the management of sizeable portfolios.

The post will involve taking over the management of existing clients' investment portfolios. These clients include senior executives of companies who are also corporate clients of the parent organisation. A broad general knowledge is needed for such work and the appropriate personal qualities necessary for representing the company at a relatively high level. Funds under management at present total about £300 million.

Salary will be competitive and there are in addition generous profit sharing arrangements. A non-contributory pension scheme provides a first-class package of benefits including substantial life cover and widow's pension. The company supports a subsidised lunch restaurant.

Applications with full curriculum vitae to: Box A.6782, Financial Times, 10, Cannon Street, London EC4P 4BY.

PEOPLE WITH SENIOR MANAGEMENT EXPERIENCE REQUIRED

For interesting work in which their background and skills will be valuable. Initially this will be on a part time basis and can be fitted in with other activities. Please reply briefly in strictest confidence to *Box A6783, Financial Times, 10 Cannon Street, EC4P 4BY*

MIKE POPE MONEY MANAGEMENT APPOINTMENTS

L/A and Commercial Manager	FX Broker (Middle East)
Commercial Broker	Broker (Far East)
Senior Interbank Broker -	SCD Broker
L/A Brokers	Senior Currency Deposit Brokers
Senior Spot Dealers (with French)	FX Broker (French and German)

Please ring Mike Pope
30, QUEEN STREET, EC4 236 0731

BEARER DIVIDEND CLERK

FOR CANADIAN BANK IN CITY

Please hear full details on

493-2905

Don't speak, just listen.

CORPORATE PLANNING

Five-figure salary + car

This is a rare opportunity for a young Business Graduate to make a positive contribution to the corporate planning process in a major diversified group. Booker McConnell's portfolio is broadly based – including engineering, food wholesaling and retailing, shipping and agriculture. Overseas activities are an important proportion of the £600m turnover.

The successful candidate, reporting to a main board director, will have an essential role in the whole group planning process; analysis of the performance and prospects of companies, competitors, market sectors and potential acquisitions are key features in a comprehensive remit.

A Business Graduate in the early 30's and of exceptional qualities is seen as the ideal. He or she must have some years experience in corporate planning – possibly as a consultant. A first degree in engineering or economics would be an advantage.

Career progression in due course should be into a general management role within the group. A substantial five-figure salary, with the benefits normal to this level, will be negotiated. Location – City of London.

Replies in the first instance, either with a comprehensive c.v. or requesting a Personal History Form, to J. P. Sykes, Group Personnel Adviser, Booker McConnell Ltd., 99 Bishopsgate, London EC2M 3XD. Tel: 01-248 8051.

Booker McConnell

Explorationists

Outstanding Oil Industry Opportunities

Due to the continued expansion of our exploration programme, as well as internal promotion, we are looking for a Senior Geologist, a Senior Geophysicist and a Geologist to join our team of professionals based in Central London. All positions require encumbents to have well rounded exploration backgrounds. He/she must be a self-starter, and able to work with a minimum of supervision utilising both geological and geophysical data.

The **SENIOR GEOLOGIST** will have seven to ten years' industry experience and a strong background in sedimentology. Preference will be given to an applicant with additional experience in drilling operations, geophysical interpretations and economic evaluations.

The **SENIOR GEOPHYSICIST** will be required to interpret and integrate geophysical data with local and regional geology to develop drillable prospects and new areas of interest. Candidates should have seven to ten years' industry experience, most of which will have been in seismic interpretation.

The **GEOLOGIST** will have five to eight years' industry experience including wellsite supervision and log analyses. A background in sedimentology and/or structural geology is preferred, with experience in seismic interpretation a definite asset.

All of the above positions carry a highly competitive salary, excellent fringe benefits and relocation assistance where applicable. Candidates who meet our requirements in full will also attract a company car. If you are interested in one of these positions please write, giving brief career and personal details, to: K. E. Peterson, Exploration Manager, Occidental of Britain Inc., 16 Palace Street, London SW1E 5BQ.

OXY

Purchasing

a long term commitment for a commodity trader

c.£11,000 + car

This market leader is a profitable Division of a major U.K. Group with substantial U.K. and overseas trading. Since the cost of raw material purchases represents a high proportion of the Division's operational costs, competitive purchasing is key to the Division's profitability.

A Purchasing Controller is required to strengthen further the Division's raw materials procurement capability. The Controller will have a deep involvement in the negotiation and agreement of long term contracts with suppliers; maintain a dialogue with potential suppliers and resource alternative materials for existing products and product candidates. The control and evaluation of on-going contracts and liaison with Production Management and central departments are concomitant responsibilities.

Candidates, men or women, will be graduates aged between 35 and 45 years, and widely experienced in a trading environment. High level personal skills and a preparedness to travel world-wide are essential.

The benefits package is circa £11,000 plus car. Location is an attractive part of S.E. England.

Please write in complete confidence quoting Ref: FT/ 651 and giving brief details of age, experience, qualifications and current earnings to:

CB-Linnell Limited
8 Oxford Street, Nottingham
MANAGEMENT SELECTION CONSULTANTS
NOTTINGHAM · LONDON

Executive Vacancies

London or Worthing, Sussex Based.

Griffin Factors Limited

A SUBSIDIARY OF MIDLAND BANK LIMITED
21 FARNCOMBE ROAD WORTHING SUSSEX BN11 2BW
TELEPHONE WORTHING 205181 (STD 0903) TELEX 87162

Factoring, with its related activities, is one of the fastest growing services in the United Kingdom.

GRIFFIN FACTORS, a well established, internationally operating factoring company, are seeking for their New Business and Factoring divisions additional Executives to service their increasing share of the market.

Factoring experience is not necessary as extensive training will be provided, but successful candidates will have an honours degree coupled with banking, legal or financial qualifications and at least 3-5 years' relevant marketing/finance experience.

Salary is negotiable. Fringe benefits are those normally associated with major Banking Companies and include relocation assistance and, after a qualifying period, house purchase facilities and a Company car.

The career offered is a challenging one with excellent prospects for promotion on proven successes.

If you are aged 26-33 years, have leadership qualities, are self-motivated and now wish to specialise in a dynamic environment write giving career details to date, and reasons for applying to:

Mrs. J. Marshall, Griffin Factors Limited, 21 Farncombe Road, Worthing, Sussex. BN11 2BW.

RECENTLY QUALIFIED ACCOUNTANT

c. £7250 + car — W. London

We are currently recruiting a young qualified Accountant who has gained excellent experience within the profession.

Our client is a major International Company going through a further phase of expansion worldwide. The successful applicant will be looking for a move into commerce to benefit career progression. By joining this small H.O. team and becoming involved in a wide range of financial activities covering group accounting, financial reporting, treasury and corporate restructuring, you can expect to acquire experience difficult to match in any other organisation.

Coupled with an attractive salary there are excellent opportunities to progress within this group.

Please reply to David Clark, F.C.A.—Consultant, quoting Ref. 3333.

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

MANAGER

Accounting and Administration

Merchant Banking

c. £10,000

Our client is the small, established, merchant-banking subsidiary of a large international banking group. As a result of its present and planned future expansion in domestic and international business, a new managerial position has been created.

This will entail full control of the accounting function and staff and supervision of the office administration and personnel.

An accounting qualification is essential and applicants under 40 will be unlikely to have had sufficient experience.

This appointment offers an excellent opportunity to a professional accountant, with banking experience, to run their own department.

Please contact, in confidence, Jack S. Pine, M.A., Ref. 2304.

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

Investment Analyst

Sussex Coast

MGM Assurance is a well established and expanding mutual society specialising in life assurance and pensions. In addition to our Head Office in Worthing, we have 15 Branches and 3 sub-offices throughout the U.K.

We are seeking an Investment Analyst to complete our small investment team located at Head Office, and assist in the management of the Society's investments, with particular emphasis on the Ordinary Share Portfolio.

We envisage the successful applicant being in his or her twenties, having a degree or professional qualification and with at least a year's broad experience with an institution, investment trust or stockbroker.

We offer excellent working conditions in a very pleasant environment, mortgage facilities and full relocation assistance where necessary. Salary will be by negotiation, and benefits normally associated with the investment sector are available.

Please write, in confidence, with personal details and career history to the Personnel Manager,
MGM Assurance, MGM House, Heene Road, WORTHING, West Sussex BN11 2DY.

MGM ASSURANCE

International Investment Management and Unit Trust Company seeks to appoint a

MARKETING ASSISTANT to the MANAGER

of the Private Clients Division

This is a unique career opportunity for a bright enthusiastic person with an investment background, who is now looking for promotion into management with one of the most successful fastest growing companies in its field.

Working closely with the Manager and other senior executives the appointee, 25-30, will be involved with marketing to clients and planning direct mail, so some selling experience would be helpful. A basic knowledge of taxation and unit trusts is necessary as is the ability to communicate effectively at all levels. Some travel will be involved.

This is an exciting opening in a fast growing Company and consequently future promotion prospects are excellent. Salary will be c.£6,000-£7,000 p.a. plus a sales incentive and profit sharing scheme, BUPA, etc. Based at pleasant offices in Dorking – but in very close touch with the team in London – the position offers relocation expenses where necessary.

Please apply with full details, in the first instance, to Ken Hersey BASTABLE PERSONNEL SERVICES One Tenterden Street, London W1 Tel: 01-408 1818

Bastable Personnel Services

PRIVATE CLIENT EXECUTIVE

25-30 — £7,000

Our clients, a major firm of stockbrokers with a successful private client and fund management business, have a vacancy for an executive with at least two years relevant experience.

The department is expanding and this, plus imminent retirements, make it a particularly attractive career opportunity.

The successful applicant will, once confidence in his or her ability has been established be allowed a considerable degree of autonomy and will have the backing of successful research. He will help in the management of discretionary clients' funds as well as advising other clients.

Applications should be sent to Jock Coutts at Career Plan Ltd., Chichester House, Chichester Rents, London W.C.2, and will be forwarded direct to our client. Please therefore state if there are any firms which you specifically wish to exclude.

Career plan LIMITED
PERSONNEL CONSULTANTS

GOVERNMENT OF ONTARIO

has two openings, based in London for:

MARKETING CONSULTANT

£10,000+

You enjoy the challenge of developing new business for Ontario. The job is to promote industrial growth through the export of Ontario products; to secure reciprocal trading arrangements and also to develop joint ventures and licensing arrangements.

The successful applicant will have four to five years of experience in responsible positions in UK industry or commerce of a type which could be usefully applied to the tasks to be performed. A background of business experience in Canada or with a Canadian business entity in UK or Europe is preferred.

SELECTIVE PLACEMENT OFFICER

£9,000+

This position involves administering recruitment programmes, counselling prospective immigrants and to counsel visiting Ontario employers.

At least three years in immigration work or the equivalent in related experience: recruitment: personnel selection. A knowledge of Ontario is essential.

To apply—please send written resume, including an outline of educational background and work experience, in complete confidence to:

Ontario House,
Dept. WRD,
Charles II Street,
London S.W.1.

Financial Director

c. £11,000 + car

This is an excellent opportunity to assume full responsibility for all aspects of financial management at Board level. Privately owned, with interests world-wide, this British company has a £4m turnover and provides a specialised engineering service including a manufacturing facility. The person appointed will report to the Chairman and Managing Director. In addition to ensuring the provision of an efficient accounting operation, the application of financial skills to the future planning and growth of the business will be a key function. Candidates from age 30 must be qualified accountants with several years' management experience in commerce or industry. Knowledge of computer applications is essential and involvement in handling overseas tax matters would be an advantage. A professional approach combined with determined personality are required. The employment package will include an opportunity, upon proven success, to share in the equity of the business. Location: Essex/Suffolk border.

PA Advertising Ref: R2357/FT.

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

CHIEF EXECUTIVE / ENTREPRENEUR

Major Consortium International Service Company

London — c£20,000
(Profit Sharing/Equity/Substantial Bens.)

Assume complete control of a newly formed independent company • Service Government Departments, Major International Companies & Private Investors in the Middle East and other Third World Countries • Provide A/E Services • Procure Construction Contractors, Materials, Machinery, Plant & Equipment, Technical Advisory Services.

Our Client: A consortium of substantial companies and professional advisers who have created an independent company to capitalise on their longstanding and well established business relationships. In the past 10 years they have been responsible for $ multi-million Government Development & Industrialisation contracts.

Your Role: Reporting to a Non Executive Board you will assume complete control of the Company • Planning • Management • Development • Business Generation • Promotion • Profitability. It will be based in prestigious offices in Central London.

Background Experience: An experienced executive with proven business acumen, possessing a rare combination of talents including, Marketing & Selling • Procurement Resourcing & Negotiation • A sound knowledge of Contracting & Manufacturing Industries • A wide variety of Contacts in the City Professional & Business World, International Finance. . . above all a proven track record in creating and developing a service company from grass roots level.

Career Opportunity: As the Managing Director you will share directly in the Company's success. High Basic Salary + Generous Profits Sharing + Share Option Plan + Overseas Travel + Executive Car + Pension & Life Assurance + Other attractive group benefits.

ACT NOW! For further information, or an application form, please contact the consortium's adviser: Michael A Silverman (Director), in the strictest of confidence, on 01-388 2051 or 01-388 2055 (24 hr Ansaphone). Quote Ref. 323.

The appointment is open to male/female applicants

MERTON ASSOCIATES (CONSULTANTS) LIMITED
Merton House, 70 Grafton Way, London W1P 5LN
Executive Search and Management Consultants

MANAGER

Planning and quotations dept.

(M/F) urgently required for leading firm of life consultants in Belgravia. Salary £7,000/£10,000 *plus bonus, etc. depending on experience and qualifications.* An up-to-date working knowledge of individual pension plans and life assurance regulations is essential. Maths to 'A' level standard and some actuarial experience would be advantageous for this interesting and challenging post which will also involve new product development and computerisation. Please 'phone:
Mr. D. Saffer, Bevington Lowndes Ltd. 01-235 8000.

FAIREY MARINE DIVISION
Managing Director c.£15,000 + bonus

New Position
Hamble

This newly created position to head up the brand new Fairey Marine Division located at Hamble is for a market-orientated, marine-experienced manager. The person appointed will be both a team and business builder.

The Division comprises Fairey Marine, Fairey Exhibitions and Allday Aluminium which has been recently acquired. The plan is to enlarge the range of commercial, military and para-military vessels supplied to the international market. The new Fairey Marine Division expects to penetrate deeper into its existing markets. Customers at home and abroad include customs and excise authorities, navies, coastguards, police and lifeboat institutions and oil companies. A wide range of patrol and pilot boats is supplied to marine authorities and harbour boards throughout the world.

The requirement is for a tough, vigorous and forward-looking person with a dominant flair for marketing worldwide who will be directly responsible to the Group Chief Executive for moulding the new Division into a credible force in its market sector.

Initial turnover is expected to be £7-8m.

Preferred age range is 35 to 43. There will be extensive travel from a home office base on the Hamble. Car and other excellent benefits are provided.

Male and female applicants should write in confidence to Stewart Mitchell or telephone (24-hour answering service) for a personal history form quoting reference M/153/7.

The P-E Consulting Group Appointments Division PE
1 Albemarle Street, London W1X 3HF Tel: 01-499 1948

Financial Analyst

Young accountant for profit centre support and planning
West London, c. £8,750 (incl. bonus)

This company, arguably the most successful in the UK in recent years, is an autonomous subsidiary of a major international corporation and manufactures (very) fast moving consumer goods. Current turnover is nearly £60 million. The main responsibility will be to provide profit centre management with a support service in analysis, planning and budgeting on a regular and ad hoc basis. It will require close involvement with senior management and success will stem from ability to gain a full understanding of the market in which they are competing. Systems are advanced and highly computerised and this position offers excellent experience as well as first class career prospects. Candidates, aged around 24-30, must be qualified accountants from the profession or industry and trained within a sophisticated environment.

G.E. Forester, Ref: 18213/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

ASSISTANT SECRETARY

To City Commodity Trader & Broker.

Fluent French essential and some knowledge of Spanish and Italian preferable. Salary above £4,000 negotiable.

Ring 01-626 5147

Itek

Financial Controller-Europe
International Marketing and Distribution. Salary negotiable around £16,000 and a Company Car.

We are Itek Graphic Products, a major international company supplying high technology equipment and systems for the graphic arts and printing worlds.

Our latest generation of products are making a big impact on our European markets and as Financial Controller – Europe, you will play a major part in our extensive expansion programme. A hard-headed businessman, accustomed to an American environment, you will be concerned with more than financial accounting: inventory management, distribution, acquisitions, tax and treasury matters will all fall under your scrutiny. Your responsibilities will cover both direct and distributor operations throughout Europe.

Based at our new European Headquarters in Windsor and supported by a team of qualified accountants and distribution specialists with Controllers in Switzerland, Germany, Holland, Italy and the U.K. reporting functionally to you, you will need to draw upon wide European control experience. An exceptional man manager you have the ability to motivate and direct the complete financial function. You are of chartered accountant calibre, speaking more than one European language; you are a high flyer who is ready for a career move that will involve extensive travel across Europe and to the United States.

Show us that you have the ambition, drive and enthusiasm with the depth of international financial experience that we are looking for and we will offer you the very substantial career and benefits package you expect and all the scope you need.

Please write with full c.v. to
Phillip Rich, Personnel Manager – Europe, Itek Overseas Limited, Itek House, Mora Street, London EC1V 8BT.

Group Financial Director
up to £18,000 + car

A highly profitable quoted group of manufacturing companies with a £25m turnover requires a Group Financial Director to succeed the present Director on his retirement next Spring. The business is diversified and the products are mainly safety equipment and specialised textiles for both civil and military markets supplied through a number of highly autonomous subsidiaries controlled by a small, lively headquarters staff. The successful candidate reporting to the Group Managing Director will be responsible for the control and development of all financial and accounting matters including the treasury function in liaison with subsidiary company Financial Directors. The successful candidate will probably be a graduate Chartered Accountant aged 35-45 and will have a commercial outlook on financial management gained in a manufacturing environment. Experience in dealing with the financial aspects of large export contracts would be an advantage. The remuneration and other benefits envisaged are attractive and include relocation expenses to West Surrey where relevant.

PA Personnel Services
Ref: AA34/6929/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

Company Secretary

West London c £10,000 + car

A Company Secretary is required by a quoted light engineering company. Products are known world-wide and over 60% of output is exported.

The successful candidate will be responsible for the normal range of secretarial work found in a public company. In addition the Secretary will give advice on employment legislation and be responsible for administrative services on a number of sites.

Applicants should be in the age range 35-50 and have a secretarial or legal qualification. Experience in a quoted company is essential and a period in manufacturing industry will be an asset. Salary will be about £10,000 related to experience and seniority, and other benefits include a car and contributory pension scheme.

Candidates should apply in confidence giving brief career details and quoting reference FT/139/G to:-

TYLB
Turquand Youngs and Layton-Bennett
Management Consultants
11 Doughty Street
London WC1N 2PL

MANAGING DIRECTOR

Acrow Automation is probably the fastest growing company in the equally fast growing market for storage and materials handling systems. In addition, as part of the Acrow Group it has access to markets in many parts of the world, with manufacturing or distributor back-up as required.

The appointed successful candidate will motivate the design and work staff on product development and innovation ... and the sales staff for further penetration of markets at home and abroad.

Please reply in strictest confidence to:
W. I. Green, Group Deputy Managing Director–Marketing
Acrow Limited, 8 South Wharf Road, LONDON W2 1PB

GROW WITH ACROW

QUALIFIED ACA
INTERNATIONAL ASSIGNMENTS

c £8,000 £10,000 p.a.

Our client, a major U.S. electronics corporation based in West London are currently seeking two ACA's (24-28) to join their overseas division. Reporting to the Director of International Operations, the initial assignment of 2 years duration is designed to give the successful candidates an in-depth knowledge of the world-wide financial structure of the company. During this time extensive travel around Europe and South Africa (approx. 9-10 months p.a.) will be essential to give the necessary experience. Promotion from here is to a higher middle management position in Europe. Salary will be negotiable within the range stated and there are tax concessions (to be discussed at interview) and expenses. Further benefits are commensurate with those provided by the majority of prestige companies. These are superb career openings for those displaying both the ambition and management potential which are necessary in this recently expanded and outstanding field.

For further information please phone or write in confidence:
Mr. M. Purtell.
CHARLES LOXLEY ASSOCIATES,
Eldon Chambers, 30, Fleet Street, E.C.4. 01-353 9183.

Assistant Company Secretary

Walthamstow Circa £7,000

Our client, a subsidiary of a major U.S. Corporation and engaged in the manufacture of industrial products, is seeking an Assistant Company Secretary.

This is a newly created position due to the expansion in the Finance and Administration sector. Reporting to the Financial Director, the selected applicant will be responsible for a wide variety of duties which will include the maintenance of statutory and insurance records, pension and life assurance schemes, properties, the administering of the company car fleet and other general administrative duties.

Aged 28 to 45, the likely candidates will be ACIS qualified, self-motivated with a searching, as well as an active initiating mind.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to Peter Lee-Hale, Personnel Services Division of:

Spicer and Pegler Management Consultants,
3 Bevis Marks,
LONDON EC3A 7HL.

CASH MANAGEMENT
c £8000

The Electricity Council manages a debt of some £5,000m on behalf of Electricity Boards in England and Wales.

You will join the small team responsible for this work which includes the forecasting of the electricity supply industry's cash requirements, raising its funded and temporary borrowings, servicing existing loans, the management of cash flow and the provision of cash and interest forecasts. The work is both demanding and interesting.

You must be able to think creatively, have sound commercial acumen and the ability to communicate effectively, both orally and in writing. You should have an accounting qualification or an economics degree and/or banking experience.

Salary will be within a scale £7006 to £8931.

Some assistance with relocation expenses given in appropriate cases.

Please write in confidence, giving age, career to date and present salary quoting ref FT/112 to:

Duncan Ross
Recruitment & Development Officer
The Electricity Council
30 Millbank, London SW1P 4RD

ELECTRICITY COUNCIL

UK Commercial Banking

An expanding London-based International Merchant Bank wishes to appoint an experienced banker to supervise the development and administration of its domestic commercial banking business.

The position involves negotiation of facilities with customers in both the corporate and private sectors, detailed analysis of loan proposals for presentation to Credit Committee and full responsibility for day-to-day supervision and control of staff and systems. The successful candidate will be closely involved in formulating the Bank's lending policy and in the funding of the Bank's assets and sterling liquidity.

Applicants should possess broad technical expertise and be experienced in preparing all loan and security documentation, and have a wide knowledge of documentary credits, acceptance credit business and other forms of trade related finance.

Senior experience of banking in the City of London is required together with strong personal connections with the City and its Institutions. Experience of international banking transactions would be an advantage.

The appointee would be considered for an early Board appointment. Preferred age: 35-45. Salary by negotiation, circa £17,500.

Please reply, in confidence, to:
Box No. G.3931, Financial Times,
10 Cannon Street, London EC4P 4BY.

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BANKING APPOINTMENT

Self-motivated Business Development Manager required by International Bank in City. Salary £17,500 + bonus. Age 26/46. Applicant must have had Credit Training before becoming established in Latin American area of business development. Knowledge of Spanish or Portuguese would be helpful. Please ring for appointment only 01-283 6022/6023 or write with resume to:—

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Computer or Management Audit

City

Up to £10,000+

These are two exciting jobs in a small, newly created department with a leading financial organisation, where audit services have independence and authority.

Those joining will most likely come straight from a large audit firm. They will be expected to make a significant contribution to the development of the audit department and to work with the most senior management. Some two years in this area could lead to promotion elsewhere.

Current experience should include either a clear understanding of the wider issues of 'management audit' or E.D.P. Considerable emphasis is placed on computer audit owing to the size and sophistication of the computer systems.

Fringe benefits are good and the starting salaries will be negotiated in order to attract those with the highest expertise.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to A.C.Crompton quoting reference 797/FT on both envelope and letter.

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Budding General Managers

From Finance/Sales/Engineering - under 30 years old
UK & Continental Europe, Neg. + bonus + car

The European division of FLEXI-VAN CORPORATION, a major force in transportation leasing, is planning to exploit new areas of development within this buoyant market. The need is for young ambitious professionals with a successful track record in finance, sales and marketing engineering or similar demanding functions who have the determination and ability to move into general management at a young age. Candidates must be persuasive communicators with flexibility and the drive to get things done. A relevant degree or qualification is essential and an MBA would be ideal. Immediate opportunities have been identified in the UK, Italy, Hamburg and Copenhagen. Longer term prospects are on a world wide basis. Remuneration packages are comprehensive and individually styled.

D.N. Ciohessy, Ref: 23038/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
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The company now wishes to appoint a European Compensation Manager based at their international headquarters in Berkshire to continue and further develop a sophisticated compensation and benefits plan which forms an integral part of the company's corporate policy. Reporting to the Director of Personnel, the successful candidate will be responsible for job evaluation, comprehensive international salary surveys and European Division and local remuneration policy, including the maintenance and development of incentive and commission plans from executive management through to field sales personnel.

Candidates, educated to degree standard, should be aged between 29 and 38, of either sex with at least five years' general personnel experience. At least two years' experience must have been within a multi-national (European) salary administration environment.

The company has an excellent benefits package including an incentive bonus, good company car, BUPA, non-contributory pension plan and re-location assistance if necessary. The job holder can anticipate significant overseas travel within Europe.

Please send brief details – in confidence – to David Bennell ref. B.43594.

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MSL
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LONDON

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The Consultancy conducts a wide range of exercises for industrial and commercial clients in both the private and public sectors. There is a strong systems bias and a structured training programme which, in the first year, would include a number of weeks in the U.S.

Candidates, aged 24-27, should be qualified accountants with a degree and a high level of academic achievement. A committed, motivated attitude is essential to identify with the firm which is keen to give successful candidates increased responsibility at the earliest opportunity.

Salary will reflect background and experience and income progression will be rapid for successful candidates.

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Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410 Strand, London WC2R 0NS. Tel. 01-836 9501
121 St Vincent Street, Glasgow G2 5HW. Tel 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel 031-225 7744

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P.A. to Senior Middle East Dignitary

c£17,000

We require a literate, self-confident young man to act as Personal Assistant to a Senior Government Dignitary in the Middle East. The successful candidate, who will be aged 28-35, should be educated to University standard and have had PA experience with senior management in the commercial or government sectors. The position presents an interesting challenge and involves a degree of travel. It is a post of bachelor status on a one-year contract, a salary of c. £17,000 and 4 weeks paid leave p.a., with generous transport and accommodation allowances. Experience of working with management at all levels is desirable and a knowledge of Arabic would be an additional advantage but is not essential.

Please apply in writing, giving brief career details, to:
The Personnel Manager, Gray Mackenzie & Co. Ltd., 40 St. Mary Axe, London EC3A 8EU.

Financial Director

c. £18,000+car

- The company is the important, expanding and profitable UK subsidiary of a prestigious international company manufacturing and marketing a range of science based health care products.
- Candidates, probably in the age range 35-45, should be qualified accountants, ideally with a degree, with a proven record of success in a financial capacity with a major profit orientated commercial organisation. Experience in the accountancy profession with a major accounting firm and exposure to working within Europe would be further advantages.
- The position has meaningful potential for further personal development. The benefits package is attractive. The appointment is based in rural South East England.

Please write or telephone to S. W. J. Adamson F.C.A., **Grosvenor Stewart Limited,** *15 Tilehouse Street, Hitchin, Herts. Telephone (0462) 55303. Please quote ref. 925.*

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(BRAZIL)

A major U.K. Engineering Group, with substantial interests in Brazil, requires an M.D. for one of its associated companies in Brazil, employing approximately 650 people.

Essential requirements for applicants to satisfy are, evidence of successful management direction of the total business of a medium/heavy engineering, manufacturing and contracting operation, ability to work effectively in an overseas environment, and experience in the heavy capital plant market.

A very generous Brazilian employment package is provided, which can accommodate family and educational requirements.

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Your main duties will include the presentation of weekly profits estimates, monthly management accounts, capital/costs expenditure reports, capital project evaluation, annual budget and ad hoc investigations.

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BERMUDA

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FOR SCOTTISH STOCKBROKERS

Our research department requires an additional Investment Analyst to assist in the in-depth analysis of the leisure sector and other areas of the UK equity market.

The analyst will also be expected to play a major role in selling the firm's research output to institutional clients.

Ideally applicants should possess a good degree or relevant professional qualification, have at least two years' investment experience, and have the ability to communicate effectively with both industrial management and institutional fund managers.

Salary is by negotiation and will reflect the experience and qualifications of the successful applicant.

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Divisional Accountant	£7,500+Car	East Midlands	Hoggett Bowers
Chief Accountant	£8,000	Buckinghamshire	PER Oxford
Management Accountant	£7,500	East London	PER Chelmsford
Management Accountant	£8,000+Car	WC2	Box No. A6780
Controller	£8,500	—	Churchill Personnel
Accountant	£7,500	—	Churchill Personnel
Accountant	$19,000	Bermuda	IPS Group (Consultants)
Chartered Accountant	—	London/Surrey	Box No. A6793
Chartered Accountant	—	London	F. H. Scobie & Assoc.
Management Accounting	£4,232/£8,452	Loughborough	Loughborough University
Group Accountant	£9,000+Car	Luton	Ian Mackintosh Intl.
Merchant Banking	£8,000	Central London	Robert Half
ACA	£8,000	Central London	Robert Half
Young ACA	£7,500+Bonus	Bucks.	Robert Half
International Auditor	$17,000	UK Based	American Express
Principal Auditor	£9,260+ Allowance	Tuvalu (Ellice Isles)	Crown Agents
Young Qualified Accountants	—	West of London	Taylor Woodrow Intl.
Young Chartered Accountant	to £7,500+ Benefits	London	Extel Recruitment
Group Accountant	£9,000	North London	Accountancy Personnel Senior Appts.
PA to Chief Executive Accountant	£8,500	City	" "
Supervisor	£8,000	City	" "
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For further information see the FT of that date or telephone 01-248 8000 Ext. 526 or 01-248 5597

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All enquiries will be treated in strict confidence.

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Principals Only

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Thornton Baker, Chartered Accountants,
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Birmingham B4 6EL.

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Principals only please write with fullest particulars to:
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Bremar Holdings Limited, Bankers,
Bremar House, London W2 1PT.

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Australian High Commission
Australia House, Strand, London WC2B 4LA

Quoting reference 51/3/5

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LOMBARD

OPEC's spending dilemma

BY JAMES BUXTON

Economic commentators have lately been saying how surprised they were at how fast *the OPEC states managed to* spend their quadrupled revenues after the last big oil price rise of 1973-74. They are thinking not so much of high population countries like Nigeria but of the four chronic low absorbers of revenue—Saudi Arabia, Kuwait and the United Arab Emirates and Qatar. Last financial year Saudi *Arabia, with a total population* of not much more than 5m, overspent its revenue of nearly $40bn by $4bn.

Levelling off

This year, with price increases averaging at least 25 per cent, OPEC countries are *likely to earn an extra $30bn* between them. But in the Gulf states this is not likely to cause a spectacular new upsurge in spending. The scale of the increase in revenues is of a much smaller order than that of 1973-74 whatever happens later this year to prices. So far Saudi Arabia has not taken full advantage of the high prices that can be obtained. But the main reason is that there is a limit to what it can usefully spend their money on, a *fact of which it is increasingly* conscious.

In the UAE spending is levelling off in real terms, partly as a deliberate policy to curb waste but also because most of the new ports, airports, roads, *hospitals, power stations* and sewerage schemes needed are either complete or under construction. In Kuwait, which became very rich earlier than its neighbours, even less development was needed after 1973/74 and the oil boom brought less of an explosion than it did in neighbouring states.

In Saudi Arabia it will be some time before all the development needs are satisfied. But the Kingdom's latest budget provides for little if any real increase in spending, partly because the government wants to restore *financial orthodoxy* and keep down inflation, but partly because there is a limit to what is required in infrastructure development.

A possible new outlet for large new spending commitments *in the low absorbing* states is the development of heavy industries—indeed some are already going ahead, particularly in Saudi Arabia, the UAE and Qatar. But the oil *states are cautious about heavy* industry: local markets are *small foreign ones far off*. The high cost of production resulting from labour costs often on a par with industrial countries and a corrosive climate offset the advantages of cheap energy and available capital.

The low absorbing states face an acute dilemma: they are depleting their oil reserves faster than they need for their own revenue requirements; they are expected to give their present population a constantly rising standard of living; but they must also preserve capital *for* future generations. With limited investment opportunities at home this means accumulating financial assets *abroad, which could* be sequestrated at the stroke of a pen.

The only way the low absorbers can develop their economies on a broad base is by revising their attitudes to *immigration*. In some ways the Gulf is like the U.S. states of the Gulf of Mexico which developed gas-based, energy-inten*sive industries in the early part* of this century. Like the Gulf in the Middle East the region was lightly populated because it was poor in other natural resources before the discovery of oil and has a bad climate. It was able to build a broad-based economy because of free immigration—almost anybody could go to Texas and become a Texan; *the immigrants simultaneously* provided cheap labour, because they had a long term stake in the place, and a good local market.

Third class

The Middle East Gulf states have closed their eyes to this option, knowing that it would endanger their dynastic rulers. It is hardly possible for anyone, Arab or non-Arab, to become a Kuwaiti or a Saudi, nor are many people encouraged to settle there on a long term *basis. If they do, they are* second or third class citizens.

So the low absorbing oil states are stuck with a dismal range of economic alternatives, a small domestic market and a lower caste of expensive temporary *workers* while their major investments are perforce in the west.

EEC uncertainty on joint ventures

BUSINESS AND THE COURTS

BY D. M. JACOBS

IN RECENT years joint ventures under various forms have had increasing attractions for many companies. Joint manufacturing may help overcome the serious problems arising from under-capacity or overcapacity of plants; joint marketing may facilitate the disposal of the jointly manufactured products or of jointly produced raw materials; while joint research can bring together complementary skills. All joint ventures can help to spread risks and costs.

The growth of joint ventures has, however, coincided with the rapid spread and growing sophistication of competition laws. Particularly in the Common Market and in the U.S.—but also under British restrictive trade practices legislation—the legality of joint ventures has been increasingly questioned from the point of view of their potentiality to restrict *competition*.

Numbers of joint ventures have been examined under the Common Market rules of competition. When the object of the parties has been to develop a project which involves such highly specialised skills and such considerable costs that the parties could not reasonably have carried out the project *individually, the European Commission* has generally granted exemption from the prohibitions of Article 85 to the agreements *setting up the joint venture*, though probably for a limited period and subject to other conditions.

This, for instance, was the position when the Commission allowed two British companies to establish for a period of 10 years a jointly owned subsidiary to develop, *manufacture* and sell vacuum interrupters (which are a type of circuit breaker used in switchgear apparatus). Various conditions were attached to the exemption to ensure that restrictions on competition were not extended to areas outside the field of the joint venture.* Similarly, two other British companies with *complementary skills and facilities* were allowed to set up for a limited period a joint venture to develop sodium circulators to cool atomic plants. Here there was no subsidiary but a joint committee which was to act by *unanimous* decision. Unlike the position with regard to vacuum interrupters there were numbers of other Common Market-based competitors in this field.†

In other circumstances, however, it is likely to be much *more difficult*—especially for larger companies—to get permission for their joint ventures. In its fourth and sixth annual reports on competition policy, the European Commission emphasised that each case must be looked at in the light of its own circumstances, but in both reports the Commission indicated a number of factors *which would be taken into* account.

In its recent decision in the WANO case, involving the proposed acquisition by ICI Limited (almost the only supplier in *the UK of blackpowder*, commonly known as gunpowder) of a 50 per cent shareholding in WANO, a German company and the principal European producer, the Commission made several other statements about *joint ventures and their potentiality* for restricting competition. These generalisations might well be taken as applicable to all proposed joint ven*tures*, but should not be, for they are based on the untypical facts of that case.

For instance, it cannot be *assumed in all cases that parent* companies having a joint venture in one field and similar interests in other areas, are necessarily going to enlarge their common activities so as also to impair competition between them in those other areas. Nor are they necessarily going to co-ordinate their conduct in the market place for the products made by the joint manufacturing plant, for they may only be using the plant for processing their own raw *materials and still be competing* in the sale of those products. Even if parent companies do not compete with each other or with their joint subsidiary, this is not necessarily important if there is *adequate* third party competition.

Although the WANO case seems on first impression to amount to a straightforward restriction of competition noticeably affecting trade *between member states*, it would on closer scrutiny appear doubtful whether there was any actual or potential competition to be restrained, for ICI was already taking almost all its requirements for the UK market from WANO. Such other competition as existed from other producers *might have continued* even with ICI's acquisition of a shareholding in WANO. Insufficient facts and reasoning in the decision make clear assessment *difficult*.

Among the Commission's reasons for not granting exemption was that even if there had been benefits from the joint venture, a fair share of such benefits would not become available to customers. It does not, however, give any explanation of this and it often takes too narrow a view on this requirement *for exemption*. It may frequently be difficult for those seeking exemption to demonstrate to the satisfaction of the Commission sufficient specific and immediate benefits for the customer from the application of an agreement. In the case of a joint venture there may, however, be various indirect and long-term benefits, resulting for instance from modernisation of the plant and eventual improved quality of the goods, or indeed from the mere continuation of supplies, because but for the joint venture the plant might have had to close.

For various reasons the parties to a joint venture may have doubts *about* whether they should proceed with it because of their uncertainty about the Commission's attitude. Simultaneously, they may be *unwilling* to seek a formal decision because of the length of time they may have to wait for it and the likely cost involved. They may, therefore, wish first to discuss the position informally with the Commission to get an initial reaction. The Commission encourages such contacts and many of its decisions are *informal*. It has also emphasised that it may permit a joint venture subject to various conditions, designed to reduce its *restrictive effects*.

In the WANO case the parties went to discuss the position with the Commission and made implementation of the agreements subject to its approval. The consequence was that they then received a statement of objections from the Commission, whereupon they informed it that they no longer *proposed* to go ahead with the joint venture. Nevertheless, formal proceedings continued and the agreements were held to infringe Article 85 of the Rome Treaty.

Although it is understandable that the Commission must make some formal decisions so that precedents can be set for the better guidance of industry, such guidance is required in situations which may be applicable to numbers of other companies. The *market for black* powder is probably far from typical and there are very few producers and distributors in this market, so that a formal decision would seem to have little purpose here. Parties are certainly not going to be encouraged to seek guidance if there is a risk that their still tentative proposals are likely to be made the subject of formal proceedings against them. This would be a pity for them, for the Commission, and for the more effective development of the Community's competition and industrial policies.

* *Vacuum Interrupters Ltd. (1977) ICMLR D67.*

† *Re the Agreement between the General Electric Company Ltd. and the Weir Group Ltd. (1978) ICMLR D42.*

‡ *Re WANO Schwarzpulver GmbH (1979) ICMLR 403.*

The writer is a barrister, legal adviser in industry, author and lecturer on competition law, and a member of international committees dealing with the subject.

Troy streaks to victory

RACING

BY DOMINIC WIGAN

THE 200th DERBY run on D-Day in front of a crowd far short of the three-quarters of *a million anticipated* by *many* saw Troy galloping home alone in solitary splendour.

Always well-placed by Willie Carson, who took the mount in preference to Milford — owned by the Queen—Troy quickened in the style of a well-above-average Blue Riband winner approaching the quarter-mile marker before racing clear to a seven-lengths victory. At the line Dickens Hill, one of three Irish challengers, was his closest pursuer, while Northern Baby took third place for France.

Milford, almost neglected in the pre-race betting, drifted to 8—1 and the lack of confidence proved to be well-founded. Under the whip from Lester *Piggott fully three furlongs* out the royal colt looked decidedly one-paced.

Another bitter disappointment was the favourite Ela-Mana-Mou on whom there was a wholesale gamble in the hour *or so before the race. He was* running on respectably at the finish but far too late.

For several of the leading bookmakers Troy's victory was not the one they were looking for. He had been coupled in several massive doubles with the Oaks favourite, L'Ile du Reve. I anticipate her to go to the post at artificial odds of around 2—1.

The starting prices were: Troy 6—1; Dickens Hill 15—1; *Northern Baby* 66—1; Ela-Mana-Mou 9—2.

Ile de Bourbon, the hero of last year's King George VI and Queen Elizabeth Diamond Stakes, can retain the Coronation Cup for England today by beating off the two-pronged French challenge of Frere Basile, and Gay Mecene.

Despite drifting from 7-4 on to even money, Ile de Bourbon had matters very much his own way on his return to action in the 10-furlong Clive Graham Stakes at Goodwood recently.

Kellord, bidding for a hat trick, will probably be all the rage for the Staff Ingham Stakes. Although the Barry Hills trained juvenile is fully entitled to respect, I doubt he will prove quick enough conceding 5 lb to Lester Piggott's mount Star Way.

EPSOM

2.00—Mystificateur
2.35—Star Way***
3.10—Ile de Bourbon**
3.40—Albert Hall
4.15—Arrow*
4.50—Sea Ballad

TV/Radio

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.41 For Schools, Colleges. 1.15 pm News. 1.30 Mr. Benn. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (as BBC 2 11.00 am). *4.20 Boss Cat. 4.40 Screen Test.* 5.10 Blue Peter. 5.35 Paddington.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
7.00 Tomorrow's World.
7.25 Top of the Pops.
8.05 Wildlife on One.
8.30 Rosie.
9.00 News.
9.25 The Deep Concern.
10.15 Dread, Beat an' Blood.
11.05 Tonight.
11.45 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. *11.05 Thursday* Night. 11.45 News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. *7.00-7.25 Heddiw. 11.45* News and Weather for Wales.

Northern Ireland — 11.30-11.50 am For Schools (Ulster in Focus). *3.53-3.55* pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England — 5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 A Child's Place.
7.30 Mid-evening News.
7.30 Beside the Sea.
7.55 Newsweek: Capital punishment—the arguments.
8.35 The Paper Chase.
9.25 Midweek Cinema: "Interlude" starring June Allyson and Rossano Brazzi.
10.50 Late News.
11.05 Open Door.
11.35 Open University.

LONDON

9.30 am A Big Country. 10.10 "The Dolly Sisters," starring Betty Grable, John Payne and June Haver. 12.00 Gideon. 12.10 pm Rainbow. 12.30 The Sullivans. 1.00 News, plus FT *index. 1.20 Thames News. 1.30* Crown Court. 2.00 Money Go Round. 2.25 Mid-Week Racing from Epsom. 3.50 Quick on the *Draw. 4.20 Little House* on the Prairie. 5.15 Gambit.

5.45 News.
6.00 Thames at 6.
6.25 Help!
6.35 Crossroads.
7.00 Salvage I.
8.00 You're Only Young Twice.
8.30 Brazil—Children of the Miracle.
9.00 Hazell.
10.00 News.
10.30 Inside Business.
11.00 Lou Grant.
12.00 What the Papers Say.
12.25 am Close: Personal choice with Martin Jarvis.

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am Animated Special. 10.15 "Ivanhoe," starring Robert Taylor and Elizabeth Taylor. 1.25 pm Anglia News. 2.00 Houseparty. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 7.30 Thundercloud. 10.30 Snooker. 11.00 Thursday *Movie: "Who Killed the Cat?"* 12.25 am The Living Word.

ATV

9.55 am The Jetsons. 10.20 Untamed Frontiers. 10.45 The Entertainers (Peter Skellern). 11.10 Lucan. 12.30 pm The Practice. 1.20 ATV Newsdesk. 4.20 Jonny Quest. 4.50 Sierra. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Thundercloud. 10.30 Format V. 11.00 Cinema Showcase: *"Straight On Till Morning,"* starring Rita Tushingham.

BORDER

9.30 am Hey, There It's Yogi Bear. *10.55 Cartoon Time. 11.10 Tarzan.* 1.20 pm Border News. 2.00 Houseparty. 4.20 The Life and Times of Grizzly Adams. 5.15 Call It Macaroni. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 *Thundercloud. 10.30 Thingummyjig.* 11.00 S.W.A.T. 11.55 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 4.20 Project U.F.O. 5.15 Gambit. 6.00 Channel News. 6.10 The Beatles. 7.00 Chips. 10.28 Channel Late News. 10.32 Chopper Squad. 11.05 TRA. 11.20 Movie Premiere: "Crime Club: The Last Key." 12.40 am News and Weather in French.

GRAMPIAN

9.45 am First Thing. 9.50 The Rolf *Harris Show. 1.20 pm Grampian News* Headlines. 6.00 Grampian Today. 7.00 European Nations Cup: Norway v Scotland. .45 Sounds of the Settlers. 10.30 Cover To Cover. 11.00 Brazil—*Children of the Miracle. 11.30 The New* Avengers. 12.25 am Reflections. 12.30 Grampian Late Night Headlines.

GRANADA

9.30 am Sesame Street. 10.25 Thurs*day Matinee: "Tarzan's Hidden Jungle."* 11.35 Clapperboard. 1.20 pm Cartoon. 4.20 Project UFO. 5.10 The Undersea Adventures of Captain Nemo. 5.15 Crossroads. *6.00 Granada Reports. 6.30* Emmerdale Farm. 7.00 Makin' It. 7.30 Thundercloud. *10.30 What's On.* 11.00 What The Papers Say. 11.20 Dan August.

HTV

9.35 am "Amelia Earhart." 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West 6.15 Report Wales. 6.30 Fantasy *Island.* 7.30 Thundercloud 10.35 A Return To Rosie. 11.05 Sidestreet.

HTV Cymru-Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion y Dydd. 4.20 The Doombolt Chase. 4.50-5.20 Seren Wib. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

9.30 am Journey to the Centre of the Earth. 10.25 Laverne and Shirley. 10.50 "Gift For Heidi." 1.25 pm News and Road and Weather. 4.20 The Rolf Harris Show. 4.50 Red Gauntlet. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today. 6.25 Garnock Way. 6.55 Norway v Scotland. 8.45 Sounds of. . . . 10.30 About Gaelic. 11.00 Brazil—Children of the Miracle. 11.30 Late Call. 11.35 Richie Brockelman.

SOUTHERN

8.40 am Untamed World. 1.20 pm Southern News. 2.00 Houseparty. 4.20 Project UFO. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale *Farm. 7.30 Thundercloud. 10.30* Southern News Extra. 10.35 People Rule! 11.05 The New Avengers.

TYNE TEES

9.15 am The Good Word followed by North East News Headlines. 9.20 Nature of Things. 10.10 "The Four Feathers," starring Ralph Richardson and John Clements. 1.20 pm North East News *and Lookaround. 4.20 Beachcombers.* 4.45 The Little House on the Prairie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Thundercloud. 10.30 Double Top. 11.05 Playhouse. 12.05 pm Epilogue.

ULSTER

9.30 am The Life and Times of Grizzly Adams. 10.25 Feature Film: "Tarzan's Hidden Jungle." 11.35 Clapperboard. *1.20 pm Lunchtime. 4.18 Ulster News* Headlines. 4.20 Dynomutt The Dog Wonder. 4.50 Bailey's Bird. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.20 Police Six. 6.30 *Oh No, It's Selwyn Froggitt. 7.00* Emmerdale Farm. 7.30 Thundercloud. 10.30 Thursday Night. 10.35 Feature Film: "She," starring Ursula Andress and Peter Cushing. 12.25 am Bedtime.

WESTWARD

9.50 am Leave Cape Horn to Port. †10.40 Feature Film: "The Happiest *Days of Your Life,"* starring Alastair Sim and Margaret Rutherford. 12.27 pm *Gus Honeybun's Birthdays.* 1.20 Westward News Headlines. 4.20 Project U.F.O. 5.15 Gambit. 6.00 Westward Diary. 7.00 Chips. 10.32 Westward Late News. *10.38 Lifespan. 11.05 Politics* West. 11.20 Movie Premiere: "Crime Club: The Last Key." 12.40 am Faith For Life 12.45 West Country Weather, Shipping Forecast.

YORKSHIRE

9.30 am Hey, There, It's Yogi Bear. 10.55 Cartoon Time. 11.10 Tarzan. 1.20 pm Calendar News. 4.20 Rocket Robin Hood. 4.45 The Life And Times Of Grizzly Adams. 6.00 Calendar (Emley Moor and Belmont eds). 7.00 Emmerdale Farm. 7.30 Thundercloud. 10.30 Pro-Celebrity Darts. 11.00 Fantasy Island 11.55 Police Surgeon.

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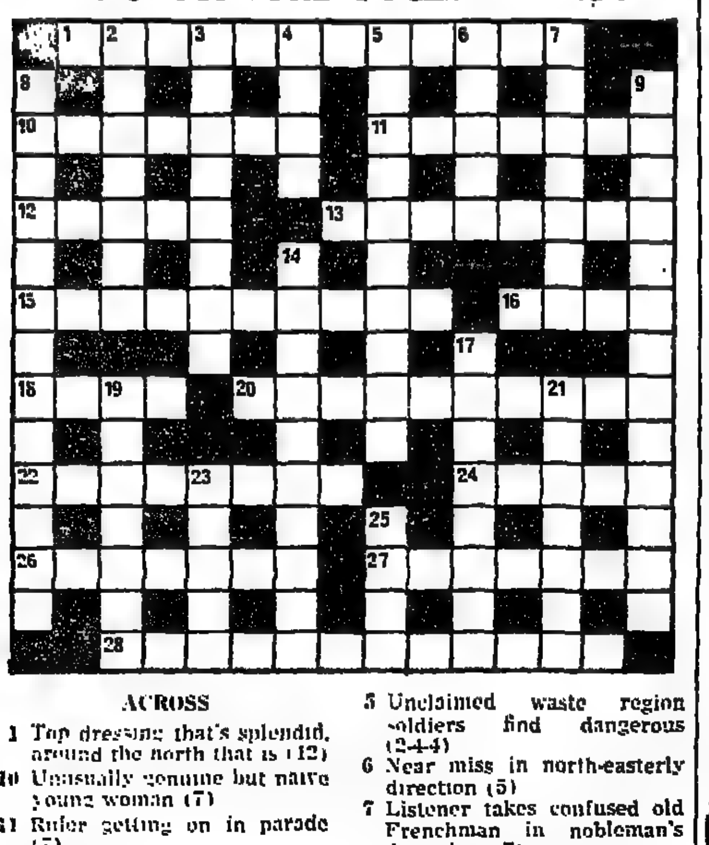


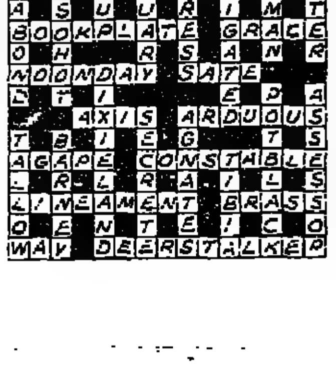
ACROSS

1 Top dressing that's splendid, around the north that is (12)
10 Unusually genuine but naive young woman (7)
11 Ruler getting on in parade (7)
12 A blow to strike with shame (5)
13 One who breaks in partly to paint rude remarks (8)
15 Fellow in fable that may be forgiven (10)
16 Time to return issue (4)
18 Bet it could be neat (4)
20 Chief direction of deep waterway (4, 6)
22 Drug possibly making Lola a kid (8)
24 Rage about oriental plunder (5)
26 Initially caught and booked for having created an obstruction (7)
27 Notice I stand, being fat . . . (7)
28 . . . with fat woman's form or senior leader of experience and authority (6-6)

DOWN

2 Students' carnival just for a supply of old clothes (3-4)
3 Left a French church and connected one meal (8)
4 It needs space in printing for this article (4)
5 Unclaimed waste region soldiers find dangerous (2-4-4)
6 Near miss in north-easterly direction (5)
7 Listener takes confused old Frenchman in nobleman's dominion (7)
8 Is to come before the public in dance and make a secret withdrawal (13)
9 With little fat and hard but fiery (5-8)
14 *Sailor on a swindle? It's a* fib! (10)
17 Bird to throw round pitch (8)
19 Imitate fly (4, 3)
21 Incorrectly name our charm (7)
23 Unimportant clue could be illuminating (5)
25 Blunder using fish-hook (4)

Solutio to Puzzle No. 3,988



Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 6.00 Dave Lee Travis 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Andy *Peebles.* 9.50 *Newsbeat.* 10.00 *John* Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S) *7.32 Terry Wogan (S).* 10.03 Derek Hobson (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S) including Racing from Epsom. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 John Dunn (S) 6.45 Sports Desk. 7.02 Country Club (S) 9.02 Folkweave (S). 9.55 Sports Desk 10.02 Thank You, Mrs Fothergill. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight including 12.00 News. 2.02-5.00 am You And The Night And The Music with Sheila Tracy (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Overture part 1 (S). 8.00 News. 8.05 Overture part 2 (S). 9.00 News. 9.05 This Week's Composer: Ockeghem (S). 9.45 Elgar (S). 10.15 Cardiff University Recital part 1 (S) 10.50 Interval Reading. 10.55 Recital, part 2 11.30 Russian Folk Music. 11.45 The English Concert part 1 (S). 12.20 pm In Short (talk). 12.25 Concert part 2 (S). 1.00 News. 1.05 Bristol Lunchtime Concert (S). 2.00 In Repertory: "Fidelio" (S). 3.00 Quartetto Italiano (S). 3.50 Youth Orchestras Of The World concert part 1 (S). 4.50 Interval Reading. 4.55 Concert, part 2. 5.25 Homeward Bound. †5.45 News. †5.50 Homeward Bound. †6.15 At Home. Concert: Shostakovich, Mozart, Holst. 7.10 A Musical Ramble (S). 7.30 "Epsom Downs" by Howard Brenton (S). 9.25 Paisiello and Politics (talk by Michael Robinson). 10.00 Beethoven, Mass in D major (S). 11.25 Vienna Philharmonic Orchestra plays Mendelssohn (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.45 A Moveable Feast. 9.00 News. 9.05 Mid-Week with Desmond Wilcox. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 Analysis. 11.45 Listen With Mother. 12.00 News 12.02 pm You and Yours. 12.27 Quote, Unquote. 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Sudbury Hall A Fairytale Quest. A con*ducted tour 3.35 Afternoon Theatre (S).* 4.30 My Delight with H. R. F. Keating 4.35 Story Time. 5.00 PM: News magazine 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. *6.30 Brain Of Britain 1979 (S).* 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 Kaleidoscope. 8.00 A Scandinavian Concert part 1: Grieg, Nielsen (S). 8.35 Change Of Direction: *conversation with Professor John Polkinghorne* 9.00 Concert part 2: Sibelius (S). 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book At Bedtime. 11.15 The Financial *World Tonight.* 11.30 *Unforgettables.* 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. *12.03 pm Call In.* 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners 8.30 Soul 79. 10.03 Late Night London. From 12.00 As Radio 2.

London Broadcasting

5.00 am Morning Music. 6.00 The A.M. Show. 10.00 Brian Hayes. 1.00-8.00 pm LBC Reports with George Gale at 3.00 *8.00 After Eight.* 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Mike Smith's Breakfast Show (S). *9.00 Michael Aspel (S).* 12.00 Dave Cash (S). 3.00 pm Roger Scott (S) 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). *11.00 Tony Myatt's Late Show (S).* 2.00 am Duncan Johnson's Night Flight (S).

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards. 240 5258. Reservations 836 3161. 'til June 30. NUREYEV FESTIVAL Evgs. 7.30 Today, June 14 & Sat. Mats. at 2.30. With LONDON FESTIVAL BALLET. Until Sat. Romeo & Juliet. June 12-16 Sleeping Beauty. June 25-30 with MURRAY LOUIS DANCE COMPANY of AMERICA.

COLISEUM. Credit Cards. 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA Tonight at 7.30: The Italian Girl in Algiers. End of Season. 104 balcony seats avail. from 10.00 today

COVENT GARDEN. CC. 240 1066. (Gardencharge Credit Cards 836 6903). THE ROYAL OPERA Ton't Sat & Mon 7.30 La Boheme. Tomor Ton't & Tue. 7.30 Luisa Miller. Tomor. 7.30 Werther with Teresa Berganza & Alfredo Kraus. Sat. & Mon. 7.30 La Boheme. 65 Amphi seats avail. for all perfs. from 10 am on day of perf.

GLYNDEBOURNE. 0273 812411-813424 Sold Out—possible returns only. Tonight Sat. & Mon. at 5.20: Il ritorno d'Ulisse. Tomor. Sun. & Tues. at 6.10: Fidelio.

SADLER'S WELLS THEATRE. Rosebery Ave., EC1. CC. 01-837 1672. LONDON CONTEMPORARY DANCE THEATRE Last three perfs. Tonight, Tomor. & Sat. 7.30: Scene Shift. Eos. Class. June 12-16 FINNISH NATIONAL OPERA AND BALLET.

WESTMINSTER. CC. S. 834 0283. Evgs. 7.45. Mats Wed. & Sat. 3.00. THE MUSICAL THEATRE COMPANY THE MIKADO Company includes: Chris Booth-Jones, *Fiona Doble, Ann Head, Neil Jenkins,* Rosemary Jenner, Thomas Lawlor, Marie McEvoy, Philip Summerscales, Alison Truefitt LIMITED SEASON

THEATRES

ADELPHI THEATRE. 01-836 7611. Previews June 14, 15, 16 & 18 at 7.30. (Seats from 70p to £4) Opens Tuesday, June 19 at 7.00. JOHN INMAN in The World's Famous Farce CHARLEY'S AUNT Box Office Now Open

ALBERY. From 8.30 am incl. Suns. 836 3878. CC Bookings 836 1071-3. Evg. 7.45. Thurs. and Sat. 4.30. 8.00. A THOUSAND TIMES WELCOME IS LIONEL BART'S OLIVER "MIRACULOUS MUSICAL." Financial Times. with ROY DOTRICE GILLIAN BURNS, MARGARET BURTON Party rate and student standby avail.

ALDWYCH. CC. 836 6404. Info 836 5332 Fully air cond. ROYAL SHAKESPEARE COMPANY in repertoire Ton't 7.30 LOVE'S LABOUR'S LOST "As perfect as anything can be this side of heaven" Guardian. With: New Production Mikhail Bulgakov's THE WHITE GUARD (Tomor., Sat. 2.00 & 7.30). RSC also at THE WAREHOUSE (see under W.)

GREENWICH THEATRE. 01-858 7755. Evgs. 8.00. Mats. Sat. 2.30. Molnar's THE PLAY'S THE THING. Adapted by P. G. Wodehouse. "Delightful, Witty . . . must be seen." S. Tel. "Exhilarating . . . splendidly cast." Obs.

GARRICK. CC. 01-836 4601. Evgs. 8.00. (sharp). Wed. 3.00. Sat. 5.30 and 8.30. DENNIS QUILLY in IRA LEVIN'S NEW THRILLER

SAVOY THEATRE. 01-836 8888. Credit Cards 01-734 4772. BILL PATERSON in WHOSE LIFE IS IT ANYWAY? by BRIAN CLARK. "A MOMENTOUS PLAY I URGE YOU TO SEE IT. IT STIRS THE HEART AND ACTIVATES THE MIND LIKE NOTHING ELSE IN LONDON." Guardian.

THE ARTS

ecord Review

Eastern European piano music

by DAVID MURRAY

kofiev: Sonata no. 8. arcasms op. 17, etc. Mark eltser. CBS 76677 (£4.39).
dov: Piano music. Tatyana Jikolayeva. Candenza 10011. £2.99).
yabin: Sonatas nos. 2, 7 and 0. Two Poèmes op. 32. Four Iorceaux op. 56. Two Dances p. 73. Vladimir Ashkenazy. ecca SXL 6868 (£4.50).
etana: 10 Czech Dances. udolf Firkusny. Turnabout V 34673S (£2.35).
ef Suk: Piano music. Pavel tepan. Supraphon 1 11 2471/ (two records) (£5.98).
t, Thalberg, Moskowski and abst: Operatic Paraphrases. Iichael Ponti. Turnabout VS 34674 (£2.35).

rich haul of piano music n Eastern Europe this week: familiar war-horses, many arding discoveries and much gnificent playing. The young sian Mark Zeltser, whose ut here was recently post-ed, proves fully equal to the aands—as much intellectual echnical—of Prokofiev's big- Sonata, the Eighth. Pro-ev began it at the same time he Sixth and the well-known enth, in 1939; it took five rs to complete, and its tional complexity should nt any more virtuoso. ser's gripping account of it ounded on mature authority, burnished with an imposing ge of piano-colour. (Con-ulations to the CBS ineers for contriving — arently after the record-ve had gone to press—to ommodate the whole work on side.) I should like to know ther the melancholy theme ch haunts the Andante dolce a conscious echo of Schubert's "Leiermann" from *Winterreise*. Zeltser also delivers the much earlier *Sarcasms* op. 17 with brilliance and vicious wit, and three encore-pieces from op. 4 and 12.

The new Cadenza disc devoted to Anatol Liadov (1855-1914) does him proud, thanks to the sparkling and stylish playing of Tatyana Nikolayeva. She in-dulges in no 20th-century bru-tality, and Zeltser's big-boned power would have been out of place; her filigree-work is the more dazzling for being executed with such pointed ease and expressive grace. The main works here are two conserva-tively ambitious sets of varia-tions, respectively on a Polish theme and on one by Glinka, and they explain very well the esteem Liadov enjoyed in *fin-de-siècle* St. Petersburg. The familiar story about his pro-crastination over the *Firebird* score Diaghilev commissioned from him—resulting in Stra-vinsky's being given his first great opportunity—is mislead-ing: Liadov was a thorough craftsman, and his delicate, jewelled piano pieces are elegantly finished. There is a fine Barcarolle here, and some honestly charming smaller exercises.

Vladimir Ashkenazy's new Skryabin record arouses mixed feelings. In theory it presents an ideal conspectus of Skrya-bin's curious progress, from the op. 19 Sonata-Fantasy through the Tenth Sonata op. 70 and the tiny, rapt Dances op. 73. In fact Ashkenazy's devotion to the composer is most persuasive where Skryabin is most firmly in the Chopin tradition, as with the Sonata-Fantasy, a lovely per-formance. As Skryabin begins to explore the possibilities of original kinds of formal symmetry in a carefully restricted, not-quite-tonal lan-guage, 19th century rubato and climax-building become less and less to the point. In the later music Ashkenazy sounds "ex-pressive" in the wrong ways—too free with rhythm, too bumpy and often just too loud. The grand Sonata No. 7, the "White Mass," seems almost incoherent (and its magical chains of trills are turned unaccountably into rude stutters). Sheer enthusiasm guarantees some effective moments. But the integrity of the late pieces is threatened by all these personal intrusions.

The modest title of Smetana's "Ten Czech Dances" is deceptive. They constitute his last major work, loving elabora-tions of native dance-forms, sometimes beginning from traditional songs and sometimes from pure Smetana. Rudolf Firkusny's Turnabout perform-ance is faultlessly idiomatic, and much of the music is captivating. As he suggests, the piano here is "less import-ant as a specific instrument than as simply a medium for (the composer's) ideas"; but that is not to say that the writing is anything less than profes-sionally resourceful, ingeniously varied in sonority and altogether attractive. The emotional range of the music is wide and often deep: it deserves not to be left only to Czech pianists, but Firkusny's sympathy with it—and the unaggressive polish of his play-ing—would be difficult to match.

The new Supraphon album of music by Josef Suk is still more of a revelation. Suk (1874-1935) is known (slightly) as the composer of a few soberly heartfelt, less than ground-breaking pieces; I had not realised that he was a noble exponent of that peculiarly Czech form, the autobio-graphical piano cycle (like Fibich and Janacek). The long lyrical and ruminative ones here—above all *About Mother* op. 28 and *Things Lived and Dreamed* op. 30—are unconven-tionally fresh and remarkably moving, eminently worth getting to know. The best com-parison I can make is with Firkusny's treasurable Janacek collection for DG, which must be on many gramophones in late evenings. Pavel Stepan's performances sound totally authentic. Two of the *About Mother* pieces pre-echo Ravel's "Le Gibet" uncannily, and the cycle was championed by the revered Blanche Selva; can Ravel have heard her play them?

Michael Ponti's "Opera Para-phrases" record displays his usual facility, and it is good to have a full-scale Thalberg effusion on record (a leading mid-19th-century virtuoso, he is remembered chiefly for his con-tribution to the Liszt *Hexa-meron* party-piece)—this one is on themes from Meyerbeer's *Robert le Diable*. But it has to be said that Liszt's *Réminis-cences de Don Juan* and his *Rigoletto* paraphrase are dimi-nished to the level of mere tricks. It may be enough to remark that if an operatic singer delivered the tunes in question as Mr. Ponti delivers them, he (or she) would be universally accused of insufferably vulgar affectation. Ponti's glittering fluency is some compensation, and of course the record is not expensive.

Festival Hall

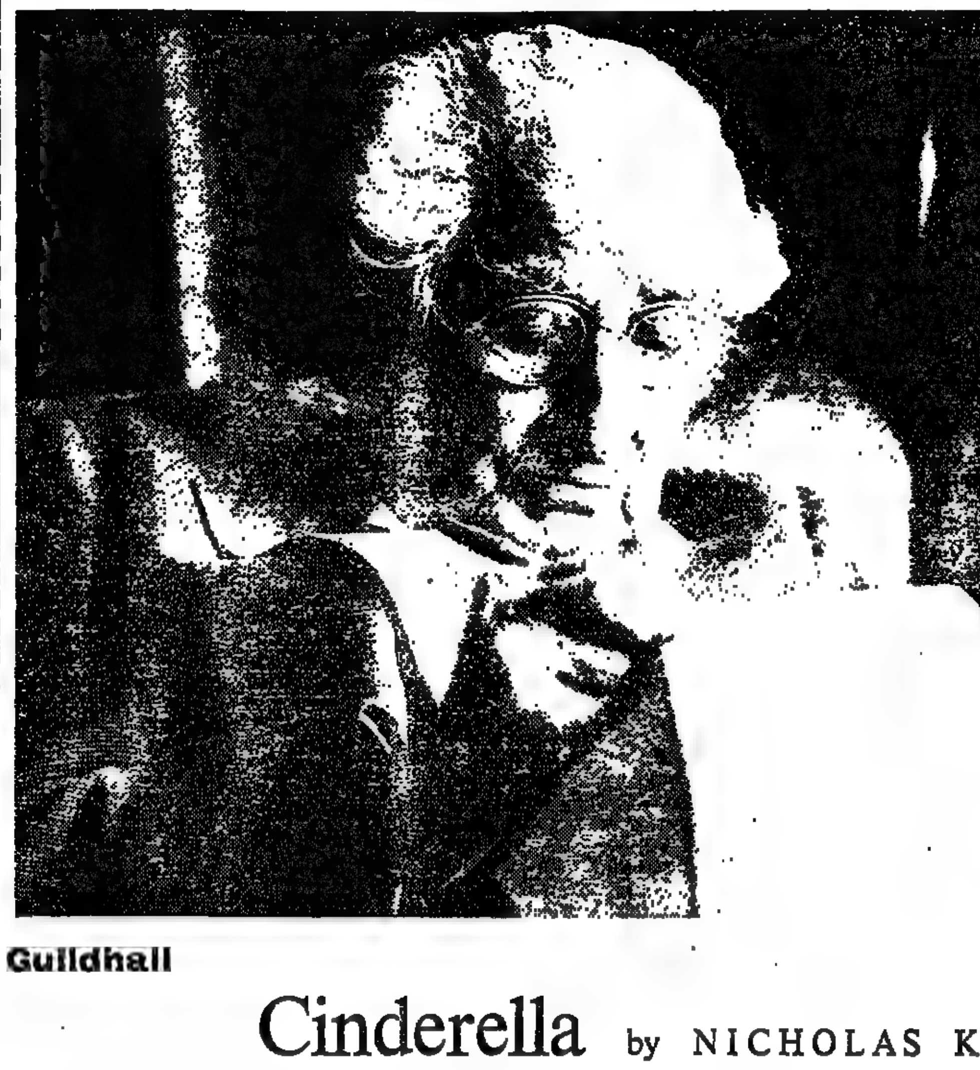
Robert Mayer at 100

by MAX LOPPERT

Sir Robert Mayer, the Pied Piper of music in Britain, is 100. It is an uncommon age to reach, and on those grounds alone celebration is deserved. But the man who founded the Children's Concerts that bear his name, Youth and Music, and countless other organisations, projects and schemes designed to foster understanding and love of music in young people has proved him-self uncommon in other ways. Tuesday night the Festival Hall stage was filled with eminent musicians, and the auditorium with an eminent audience led by Her Majesty the Queen; music was made to celebrate the art itself, and to celebrate a man who in a modest, practical, and deeply humane way has achieved so much in its service.

It is hard to remember today, when the facilities for encouraging talented young musicians in this country are so numerous and so purposeful, how different was the situation in the second decade of the century, when Sir Robert (who had come to Britain from his native Mannheim to undertake a career in business) decided to start his Children's Concerts. Britain was never a *Land ohne Musik*; that canard has long been exploded. But it was a land where music was not at all widely disseminated.

The first Children's Concert was given in London in 1923 (the conductor was the young Dr. Boult). Under the inspira-tion of Sir Robert and his wife, the singer Dorothy Moulton, concert-giving under Boult and later under Sargent spread out-wards across Britain, reaching ears—not only children's ears—that had never heard good music before. The effect of these, and of all Sir Robert's other ventures before and after World War Two, is inestimable, the value incalculable. It can-not only have been the Queen and Prince Charles, in Tuesday's audience, whose very first ex-perience of music came at a Robert Mayer concert.



Tuesday's concert was given under the auspices of the Trustees of Youth and Music by the London Philharmonic Orchestra and Choir, the con-ducting duties being divided between Colin Davis, Simon Rattle and John Alldis. It was an evening of many pleasures, not the least of which was the sound of the voice of the guest of honour, hale and full of gusto, speaking his thanks from the Royal Box. Wagner's *Meistersinger* Overture opened the music-making, and the Hallelujah Chorus closed it; in between Janet Baker sang four of the *Nuits d'été*. 16 prominent young soloists gathered for the original version of Vaughan Williams's *Serenade to Music*, the Choir sang Tallis's 40-part motet, "Spem in alium habui," and Yehudi Menuhin and Isaac Stern joined for the Bach D minor concerto.

A review of the occasion would be out of place, and is in any case unnecessary — a generosity of spirit was in the music-making quite as much as in the audience. When grati-tude is expressed in and through music, the printed word can only stumble after. Happy birthday, Sir Robert!

PLG appointment for Sir Robert Mayer

The Park Lane Group announces that Sir Robert Mayer has been made joint vice-presi-dent of the PLG.

The appointment is made in tribute to Sir Robert on the occasion of his 100th birthday and in recognition of his contri-bution to the musical life of Britain.

Guildhall

Cinderella

by NICHOLAS KENYON

Student operatic productions too often fall into one of two categories: the enthusiastic piece of team-work, usually in the service of a justly neglected opera, or the individualistic display of vocal talent, making use of an accepted masterpiece on which to build new reputa-tions. Fortunately the Guild-hall School's *Cinderella* (which opened on Tuesday and is play-ing tonight with the cast reviewed here, and on Friday with different singers) is an admirable piece of co-ordinated effort, in which the voices on display are firmly subordinated to the work as a whole.

Wendy Toye's production (in pretty, adaptable wood cut-out sets by Margaret Matthews, very well lit by John Roffey) overflows into hamminess only a couple of times and even then there is clearly a point to be made (but is Cinderella so unsure of herself at the ball that she has to be conducted by Alidoro from the sidelines?). Not all her singers can act: we see a revealing contrast between one ugly sister who does not quite lapse into parody and one who decisively and gratingly does.

There is also a definite gulf between those who deliver Rossini's florid writing with musical meaning, and those for whom it is an extended tech-nical exercise. As Cinderella, Anne-Marie Owens shows how the divisions can be moulded and phrased with warmth; she can carry on a continuous line through the rests and has a natural relaxation in her voice —though there was a sudden ferocity in higher phrases. Alasdair Elliott manages some-thing of the same stylishness as Don Ramiro: the timbre is light and self-consciously rounded; and he has a nice nasal touch to his voice.

The other soloists sounded dry, but the acoustics of the Guildhall's theatre scarcely help our appreciation (nor do the seats). Paul Leonard drew a sly, emaciated character study of Don Magnifico, but was less than secure rhythmically: Timothy Yealland will be better as Dandini when he restrains the temptation to beat time with his left hand. Simon Phipps as Alidoro had an electoral register which suddenly turned into a cardboard pop-up of a coach and horses: nice touch. Catherine Benson and Elizabeth-Anne Price sang brightly as the sisters. The student orchestra was by no means perfect, but it played with considerable verve and (under Vilem Tausky's ex-perienced direction) a hint of Rossini sparkle.

Florence Maggio musicale

Das Rheingold

by WILLIAM WEAVER

For the 1970s La Scala planned a great new production of Wagner's Ring, to be staged by Luchino Visconti. Visconti's last illness caused the project to be postponed, then revised. The producer selected to replace him was Luca Ronconi, with Pier Luigi Pizzi as his designer; and between 1973 and 1975, this Ronconi-Pizzi team mounted *Die Walküre* and *Siegfried* in a highly con-troversial style. Whether be-cause of their unconventional approach to the Ring, or because of La Scala's change of management, or simply because of financial straits, the project was dropped: the Ronconi Ring remained incomplete.

Now Massimo Bogianckino, formerly artistic director of La Scala and at present general manager of the Teatro Comunale here, has revitalised the project; and the 42nd *Maggio musicale fiorentino* has presented Ronconi's staging of *Das Rheingold* with immense success. Sold-out houses have been cheering and applauding, so it is safe to assume that the Comunale will also commission a *Götterdämmerung*, and thus the cycle will eventually be complete, albeit divided be-tween two houses.

I missed the *Walküre* at La Scala, but saw *Siegfried* and had grave reservations about it. There Ronconi's view, with references to the industrial revolution (and some homage to Shaw) seemed to me limit-ing: Wagner's great myth was confined to only one of its multiple meanings. Ronconi—and the gifted Pizzi—offered fascinating stage pictures, but they lacked a halo of connota-tion. They denoted.

This *Rheingold* has far more magic. As the curtain parts, the first scene is breath-taking. A huge, wave-like arc curves up from the left, across the stage, to vanish into the sky at stage right. On it, the Rhine maidens —mimes—sport (their voices come from off-stage, but the synchronisation is excellent). Actually, the arc is double, with a kind of basement in the interstice. Here Alberich lurks, occasionally surfacing to grab at the maidens, or in the end, the gold. The flowery mead of the second scene is a columned, mirrored hall, its walls move-able (and, in fact, they move, at one point, to reveal the loom-ing facade of Walhall, a Schinkel-like palace). Niebel-heim is a Satanic Mill, strangely without Niebelung - workers. And, in the end, the splendid arc of the opening becomes the rainbow bridge.

There are some miscalcula-tions. The complexity of the sets requires a black curtain to be lowered between scenes, and some music is actually sung in front of this curtain, an ugly blank in Wagner's constantly flowing drama. From behind the curtain occasionally one hears some hammers that are not the Niebelungs'. And there are some silly details: Freia, for example, wears awkward Christmas-pageant wings: and Loge's red waistcoat makes him look like the member of some Firemen's Benevolent Lodge. Alberich's transformations don't work.

Still this *Rheingold* has its own grandeur. Now we all wait for *Götterdämmerung* and—even more—the whole Ring in sequence.

Musically, it was also a good evening. The Florence orchestra is not on a level with Covent Garden or the Met, but it is improving. The great score of *Rheingold*, with its exposed writing for winds, underlined some of the Florentines' weak-nesses; but Zubin Mehta still managed to lead a fluent, enjoy-able performance, lyrical, often poetic, with the sheen of legend.

Though none of the singers was perhaps outstanding, the cast was all commendable, and there reigned an unusual and welcome homogeneity. The Wotan was Simon Estes, younger and more lyrical than the usual interpreter of this part, but dignified and convinc-ing. The voice seems to have acquired in recent years a certain grainy quality, which is pleasant and characterising. Heribert Steinbach was an incisive, intense Loge. Carol Wyatt sang Fricka with suitable waspishness, but with precision; and Marita Napier was a sweet, touching Freia. The Rhine maidens were Italian, all com-mendable for their good German enunciation; Benedetta Pecchioli, the Flosshilde, de-serves special praise.

At the Forte di Belvedere, the Teatro Comunale in collaboration with the city of Florence has mounted a mag-nificent show entitled *Visualità del maggio*, documenting the visual aspects of Maggio musicale productions from the inception of the festival in 1933 to the present (as a matter of fact, not all the productions illustrated were mounted for the Maggio: some were part of Florence's often - interesting winter opera season). From the very start, the Maggio has paid special attention to pro-duction and to design. Great directors, from Max Reinhardt and Jacques Copeau to Visconti and Strehler, have worked often in Florence. And the festival has called on lead-ing Italian painters to design operas, plays, ballets. In some cases (that of the late Corrado Cagli, for example), the designs — as seen in the Bel-vedere now — are more excit-ing than the sets that were realised from them. But the show is not simply a record of successes, or near-misses, or failures; it is a panorama of Italian cultural history over almost half a century, and it is fascinating. The catalogue is handsome and useful.

Giulini returning to Covent Garden

Carlo Maria Giulini, Italian maestro now musical director of the Los Angeles Philharmonic Orchestra, who last conducted opera at Covent Garden in 1967, is to return there in 1982, when he will conduct Verdi's *Falstaff* in a co-production mounted jointly by the Los Angeles Philharmonic and the Royal Opera. Directed and designed by Franco Zeffirelli, *Falstaff* will be staged in the Los Angeles Music Center during April, and at Covent Garden in June 1982. The cast, headed by Italian baritone Renato Bruson, who is singing the title role for the first time, will remain the same in both cities, and it is hoped that the production will be recorded by Deutsche Gramaphon. Maestro Giulini is not planning any further excursions into the opera house, despite his 15-year absence from the theatre.

ELIZABETH FORBES

Natasha Pyne as Judith — Leonard Burt

eatre Upstairs

An Empty Desk

by MICHAEL COVENEY

ne empty desk in Alan ry's new play belong to old my, a stalwart in a local rnment architectural office lives in Folkestone and dies age leaving no personal e in his drawers. This npts Mr. Drury's hero, Brian, oung, Pooterish colleague of my's, to question the value his job and daily routine. n has been in the office for e years and is obviously not out for the work as he writes y" instead of "purchase" usiness communications and hs at the boss behind his t.

the first half, we are in the e, a dowdy, miserable place re Brian, in a spotlight, ies on about his *crise cupation* amidst not very h surrounding action. The calls in a policeman to deal a bomb that turns out to a slim volume of Eliot and my's daughter arrives, look-glum. Brian offers to take her to a concert. But Brian has a girl-friend, a much-maligned teacher. And the daughter has a brother who, it emerges in the best-written scene of the evening (between the brother and the girl-friend), has a thing about Brian.

Mr. Drury has written neat little plays in the past about glancing relationships and frus-trated clerks. He has also written a reasonably chic spoof thriller. This play sets out to combine all those elements—Brian "disappears" and fails to recognise his girl-friend in the street — but does not really succeed. Director Keith Washington's casting may be in part responsible. Only Natasha Pyne as the girl-friend makes any impression, and Stephen Boxer, as Brian, is interesting only when he freaks out. There is not much flesh on the writing and, although there is a quirky charm about some of it, the play lacks a real dynamic.

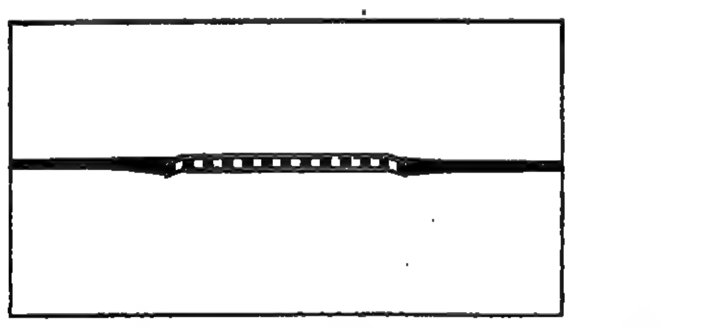
Century—not out

First Hundred Years by Sir obert Mayer. Van Duren. 3.00, 104 pages

obert Mayer was 100 years on Tuesday. His autobio-phical jottings, originally an rmal address given at the ish Institute of Recorded nd in 1971, have been ght up to date for this Cen-ry edition. It is an exem-y tale that Sir Robert has to : childhood and youth in a sical family at Mannheim; gration to England and a job he metal business; marriage he soprano Dorothy Moulton temporary removal to New k. Then return to London the inauguration of the ert Mayer Concerts for dren; retirement from busi-ness at the early age of 50 in order to devote himself full-time to musical activities; the founding of the London Philhar-monic Orchestra, in conjunction with Sir Thomas Beecham, his exact contemporary, and, after the war, of Youth and Music, which offers the benefits of opera as well as orchestral con-certs to young people up to the age of 25.

As Sir Robert polishes off his reminiscences in less than 60 pages, there is room for another lecture, The Anatomy of a Miracle, which deals with the musical awakening in Britain during this century — a miracle for which Robert Mayer himself is in no small degree respon-sible.

ELIZABETH FORBES



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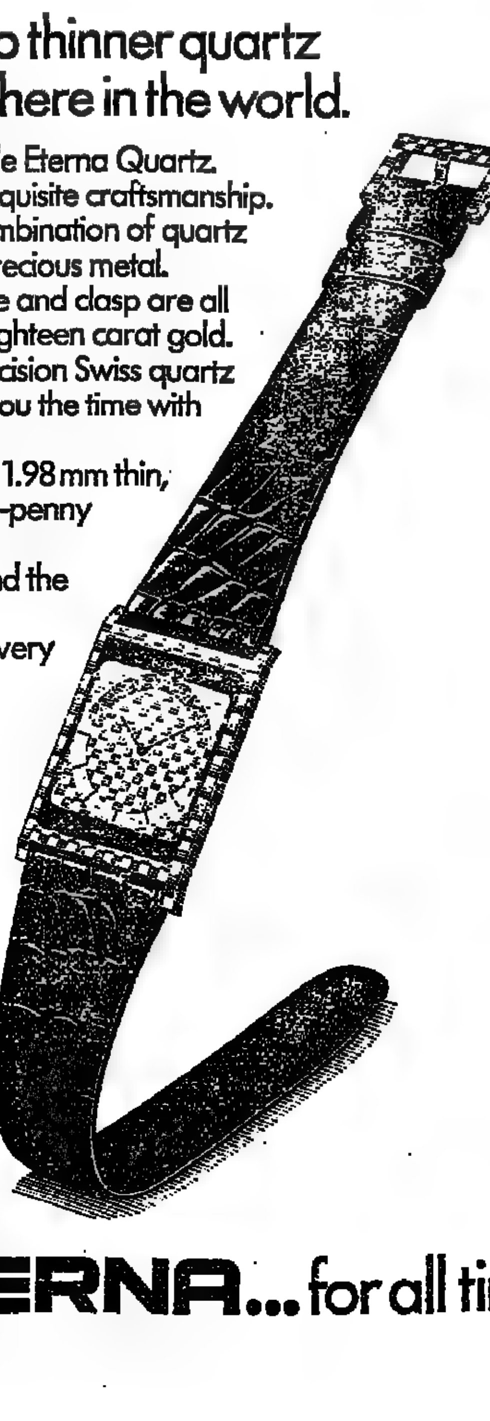

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Thursday June 7 1979

Anglo-French dialogue

BRITAIN'S NEW Government has lost no time in assuring its major European partners of the strength of its commitment to the EEC. Significantly, in the case of the leaders of West Germany and France, Mrs. Thatcher has chosen to do so in person.

Her first two meetings with foreign heads of Government have been with Chancellor Helmut Schmidt and President Valery Giscard d'Estaing. A first encounter with President Carter will have to await the seven-nation world economic summit in Tokyo at the end of the month.

Good move

It is true that Herr Schmidt's visit to London immediately after the election had been arranged by the previous Labour Government. But it could easily have been postponed. This week's visit to Paris, however, was at Mrs. Thatcher's initiative. It was undoubtedly a good move.

Anglo-French relations have long been cool, and President Giscard d'Estaing has concentrated predominantly on his relationship with Herr Schmidt. The decision to make Paris the first foreign port of call for an incoming Prime Minister is the sort of gesture that is appreciated by the French.

It was a particularly nice touch for Mrs. Thatcher to visit the Eurodif uranium enrichment plant at Tricastin, in recognition of the importance that the French Government attaches to nuclear energy. After all, the Eurodif process is a rival to the Anglo-German-Dutch centrifuge.

Although they are not saying so publicly, the French are privately pleased to see a European-minded Conservative Government in Britain, and Mrs. Thatcher's talks with President Giscard d'Estaing, by all accounts, went extremely well. The French comment that the meeting was "cordial, even friendly" should be seen as extremely positive — particularly with its possibly inadvertent recollection of a previous *entente* between the two countries.

Details of the new Anglo-French relationship remain to be worked out. This week's talks between the two leaders were principally a get-acquainted session in which a wide range of subjects was apparently only very broadly touched on. But it is already clear that Britain's interests in the EEC will have been served by the early political commitment to Europe that Mrs. Thatcher brought to Paris as her main message.

It does not matter that the commitment was accompanied by the now familiar warning that the UK would continue to be a stout defender of its national interests in Brussels. That is after all the French position too, and the French respect other countries' rights to pursue similar policies—provided their overall dedication to the European idea is not in question. British and French European policies now look closer than they have for a long time.

On the defence front, there has as yet been no effort to explore the possibilities of Anglo-French co-operation in detail. But this must remain on the cards for a number of reasons. In the first place, the British Government will in the coming months be examining all possible options for replacing the UK's ageing Polaris nuclear deterrent, and nuclear co-operation with the French could well be one of them.

More generally, there is widespread concern about the future security of Western Europe in the wake of SALT II and the growing power of Soviet medium-range nuclear weapons. Although France has repeatedly said it does not want to participate in any SALT III negotiations with Moscow, President Giscard d'Estaing does not want to be isolated from his main allies when key Western decisions are made.

Suspicious

In forging new links with Paris and Bonn the UK must also pay attention to the smaller Community countries, which are always suspicious of bigger-power collusion. This month's Strasbourg summit will give Mrs. Thatcher the chance to show that she has not overlooked them. They do not mind the bigger countries getting together, provided it is in the interests of progress in the Community and provided they are not forgotten.

That said, it is clearly in everyone's interest that the Anglo-German-French relationship should run smoothly and constructively. There have been exceptions, like the European Monetary System, but it is a general rule of thumb in the Community that little gets done without the support of Britain, France and Germany.

The problems of good luck

FARMERS ALWAYS grumble about the weather, and sometimes the City seems to display the same ingrained pessimism. We have been to the abyss and back: we have seen successive innovations in the management of Government debt; we have struck oil and developed what begins to look like a hard currency; we have elected a Government firmly committed to reduced public spending and monetary control. Yet the monetary scene looks just like old times. Bank lending, and no doubt the money supply, are growing far too fast for comfort. Funding is near a standstill, and has been so for weeks.

Dangerous

The fact is that investors are well aware of our improved fortunes; but they are also aware that the strength derived from the North Sea, and indeed some of the declared policies of the new government, pose problems of their own. Only last year, for example, the pressure of international demand for their currencies compelled the Germans and even the Swiss to abandon for the time being their attempts to control the growth of domestic money.

Such a course would be *infinitely more dangerous in this country*, where inflationary habits have become so deeply ingrained, but the pressures are the same. There is even talk again, as there was two years ago, of inward exchange controls or two-tier interest rates to stem the potential inflow—clumsy methods which have repeatedly proved ineffective.

If domestic problems were about to disappear, it might be possible to offset foreign inflows by sufficient funding; but the domestic scene poses its own questions, some of which themselves result from a strong currency. The strength of sterling has made possible a sharp rise in real incomes, so that activity is unusually buoyant. At the same time, the pressure of foreign competition on profit margins implies a rise in corporate borrowing even at modest real growth rates.

Recent bank lending, at an annual rate of £8-9bn, may represent a temporary peak as we recover from winter disruption and consumers rush to beat next week's Budget; but the underlying private demand for credit has certainly risen, by a sum estimated at £1.2bn. If this is to be met within the monetary targets, the Government's own borrowing has to be shifted correspondingly outside the banking system.

Here again there is disquiet. The Government is determined not only to cut spending, but to cut taxes. This might leave the borrowing requirements unchanged or even enhanced, and advance guesswork suggests that up to £1bn of this gap is to be bridged by the sale of publicly-held assets. This reduces the borrowing requirement in an accounting sense, and should produce a better balance between fixed interest and equity stock on offer, but the sale of assets is not deflationary. It will take as much out of institutional cash flow as it reduces the borrowing requirement, and will therefore reduce the funding problem only marginally.

So there are three factors—steady, one-way exchange market intervention, rising private demand for bank credit, and the diversion of funds to asset sales—all pointing to funding problems. The spending cuts actually achieved this year will hardly offset these influences.

Agenda

If these problems are not to result in crowding out, and persistent worries over monetary control, the authorities may have to act boldly. As a first step, they must show their determination by allowing the corse controls to bite, and force the banks to restrain their lending. However, as official witnesses have admitted to the Wilson Committee, nobody sees this as a long-run solution.

For the longer run, we may need to change the methods which proved effective (though expensive) in defending a weak currency, and look for an approach appropriate to a strong one. This could involve new instruments of monetary control, new long-term assets for investors (and perhaps especially for overseas investors), as well as a relaxation of exchange controls and perhaps a programme of domestically funded repayment of official overseas debt. This is a demanding agenda for the Chancellor; but the present system looks vulnerable.

What the European poll is all about

BY REGINALD DALE, European Editor

THE MEN who founded the EEC in the 1950s would have been unpleasantly surprised had they known the circumstances of the first European elections that start today. They would have been amazed at the time it would take to organise a direct say by the Community's 180m voters in the composition of the European Parliament. Equally they would have been disappointed by the modest influence exercised by the Parliament over Community decisions more than 20 years after the establishment of the EEC.

For the timing, the founding fathers would have to share part of the blame. The Rome Treaty, under which the EEC came into being in 1958, clearly stipulated that the Parliament (or, as it was then known, the Assembly) should draw up proposals for its election by direct universal suffrage. The member states would then unanimously determine the precise procedure. The clear intention was that the period in which members would be indirectly elected —through nomination by their national Parliaments—should be limited and transitional. What the treaty omitted was a clear deadline for direct elections.

The ebbing of the high tide of 1950s European idealism, and the ascendancy of General de Gaulle, helped to ensure that the Parliament's proposals for its own election, duly produced as early as 1960, gathered dust for well over a decade. At the same time, de Gaulle's nationalism was a crucial factor in swinging the balance of power in the Community away from the two main "supranational" institutions, the Commission and the Parliament, and back firmly into the hands of national Governments in the Council of Ministers. It was not until the advent of the European-minded M. Valery Giscard d'Estaing to the French Presidency in 1974 that plans for direct elections could once more be contemplated.

Even so, little has changed in the distribution of power between the Community's institutions since de Gaulle. Many of the founding fathers had hoped that, under the impulse of economic integration, the Community would develop a federal structure, in which the Commission would play a role something along the lines of the Administration in the U.S., the Parliament being in the role of the House of Representatives and national ministers in that of the Senate. That is not likely to happen in the foreseeable future

That said, it is well not to lose sight of three important factors. If three of the nine member states are against any increase in the Parliament's powers, the newly elected MPs will have plenty of allies among the other six; if the Parliament often seems to fall over backwards to justify the accusation that it is no more than an irrelevant talking shop, it has nevertheless been slowly but surely building up its influence since its bad days in the 1960s: and there can be no denying that there will be much greater pressure for further changes from the new generation of Euro-MPs, even if they may not all agree on the direction these should take.

It is also worth remembering what the Parliament is and what it is not. Unlike national EEC Parliaments, it provides no Government and can pass no laws. Although it has one or two potentially important powers, its role is essentially consultative.

While there have recently been signs of increasing cut-and-thrust between the different political groupings in the Parliament, its traditional aim has been to seek unanimity. By that means it hopes to impose maximum pressure on those who actually take the decisions in the Council of Ministers, and on the Commission which proposes them.

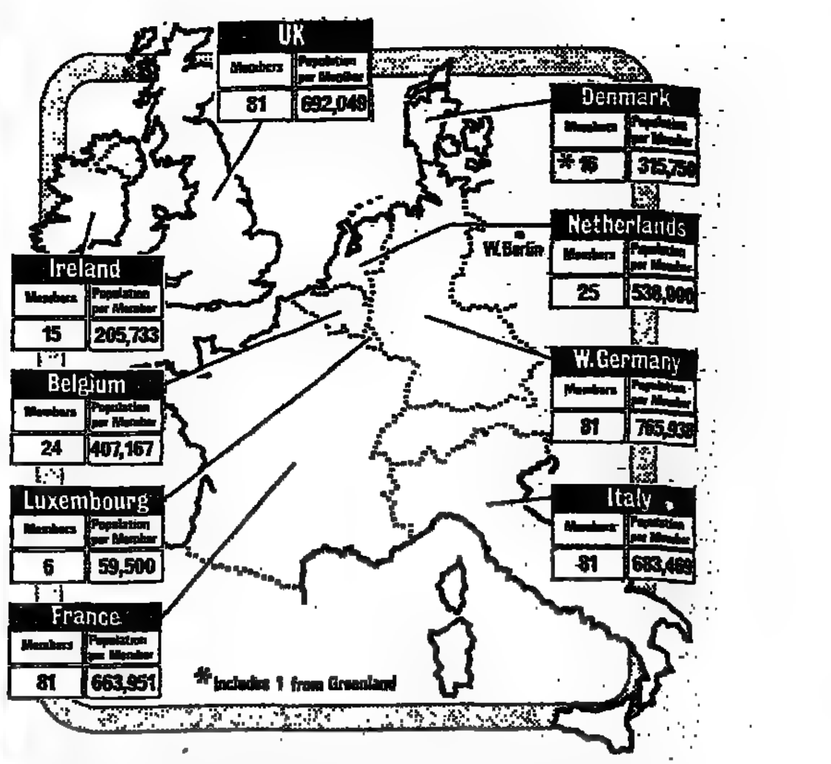
Hitherto, it has worked under a number of severe handicaps. The fact that all its members have been appointed from the ranks of national MPs has meant of necessity that there have been no full-time Euro-MPs (or MEPs, as they are correctly known). The system has also put temptation in the way of national parties occasionally to nominate those of their members whom they would for one reason or another like to see less of at home. The combined result is that debates in Strasbourg or Luxembourg have often been poorly attended or lack-lustre, and frequently both. There is a great deal of reading of long tedious speeches, with little respect for a chair which too rarely uses the gavel when time is up.

Community's languages

The reading of speeches is a consequence of the need for simultaneous interpretation into all six of the Community's official languages. Most MPs know that their words will be more faithfully relayed to their colleagues if the interpreter has an advance copy. It also means that there can rarely be the rapid debating exchanges that are characteristic of national parliaments where MPs can react to each word as it is spoken. That difficulty is one of the greatest facing the Parliament, and direct elections are obviously not going to change it.

But the newly elected MPs may well want to tackle one of the other great technical problems that have long made life tiresome for their predecessors —the insistence of the national governments that the parliament's work be divided between committee meetings at Brussels and plenary sessions at Strasbourg and Luxembourg. The three places are several hundred miles apart. Many of the outgoing members felt that it would make life much easier and that Parliament itself more influential if it installed itself permanently in Brussels alongside the Commission and the Council.

M. Jean Monnet, one of the founder fathers of Europe. They would have been disappointed to find that direct elections had to wait until 1979.



The allocation of seats in the European Parliament gives a disproportionately high representation to the smaller members of the Community.

But the French and Luxembourg Governments strongly favour the present system for both financial and prestige reasons, and they have persuaded the rest of the Council of their case. If the new Parliament decides to take the law into into its own hands and move to Brussels, it could lead to its first major power clash with the national Governments.

These handicaps have not, however, entirely blunted the Parliament's drive for greater authority in recent years. In the 1960s it was unusual to see many Commission members in Strasbourg and the proceedings received scant Press coverage. Now Commissioners, and ministers, make an effort to appear for cross-examination and since 1973 there has been a British-style question time (at which British MPs hog most of the questions). MEPs always feel they are under-reported, but the Press is now there in greater numbers, and is bound to devote much attention at least to the opening meetings of the new Parliament.

The growing self-confidence of the Parliament in recent years has meant that it has been more prepared to consider actually using the quite effective weapons it has at its command. Its best known sanction, the power to dismiss all 13 members of the Commission en bloc, has never been employed. But censure motions against the Commission have started to be tabled in recent years, and have caused considerable consternation in Brussels, even if they never looked likely to be passed by the required two-thirds majority.

But this is in many ways an unsatisfactory weapon. In the first place, like the guns of Singapore, it is pointed in the wrong direction. The Parliament's main antagonist is the Council of Ministers, the Commission often is an ally. Secondly, there is nothing technically to prevent the Council reappointing the Commission which the Parliament has sacked (although the Parliament could presumably sack it again and so on until changes were agreed). Thirdly, there is no legal provision enabling the Parliament to select individual Commissioners for dismissal.

Where the Parliament has really flexed its muscles has been in the field of budgetary control. Earlier this year it won a victory on points against the Council after insisting on increased spending by the Community's Regional Fund which the majority of the member Governments disapproved of. The background to the squabble was highly complex, and complicated politically by Britain's decision to change sides in mid-stream, but the Parliament made its point that it can impose major budgetary changes on Ministers —even if by itself it has no power to raise revenue and little immediate influence over expenditure.

It is in this area that the new Parliament is likely to concentrate on increasing its influence on Community decision-making, for three good reasons. In the first place it is one of the fields where its legal authority is already strongest—it can, for instance (though it never has done so), reject the budget in its entirety (a power some national Parliaments do not enjoy). In the second place, the whole question of the distribution of resources between member states and policy priorities (agriculture or inner cities, say) is likely to be at the centre of Community politics in the next few years. And thirdly because power over the purse is the traditional route by which West European Parliaments have won their rights.

It is not, of course, a foregone conclusion that all the new Parliament's members will want to increase its powers. Some, like British and Danish anti-marketeers, will be going to Strasbourg to try to protect national sovereignty against erosion by any EEC body, including that of which they will be members. There are also likely to be clear political differences among those who want to give the Parliament greater rights of democratic control.

There will be those who favour dramatic gestures, and outright confrontation with the Council of Ministers. Others, including the British Conservatives, will argue that the Parliament should work progressively to extend its authority on the basis of its existing powers and within the existing institutional framework. Equally, they will argue that by extending the European Parliament's influence over the Council and the Commission, they are filling a gap, not trying to take powers away from national Parliaments.

Committee system

There is no shortage of suggestions for building on the Parliament's current rights and practices. They include further strengthening of the committee system, for instance by staging more public meetings and hearings, in imitation of the U.S. Congress, and, again on American lines, greater use of the so-called "conciliation" procedure, under which delegates from Parliament and Council try to negotiate solutions to disputes. More far-reaching proposals have been made to give the Parliament the right to a second reading of draft legislation if the Council has rejected its amendments, and, even more ambitious, the right of "co-decision" with the Council, implying an ultimate Parliamentary right of veto over Ministers' decisions. That, however, is not going to be gained without a real fight, for which not all the new MPs are likely to have the stomach or the inclination.

But whichever course they choose, either individually or collectively, it is clear that they will be much more active than their predecessors.

For most of the new members, it will be a full time salaried job, and they will have to justify themselves to their electorates and parties at home. The sheer weight of numbers in the new Parliament (410 against 198) means that pressure on the other institutions will be intensified.

Most important, however, MEPs will have the knowledge not only for the first time they have a direct popular mandate from the citizens of Europe but also that many people are looking to them to move the Community forward at a time when few initiatives are coming from other sources. In the end, the most important factor will be the calibre of the people elected and the dedication they are prepared to bring to their new task. They have five full years until the next election to prove that the new Parliament can make a greater impact than the old, and many of them are determined to do so. If it is not quite what the founding fathers envisaged, the member Governments could still be in for a few surprises.

MEN AND MATTERS

Waiting for the golden numbers

With gold at a record $280 yesterday, the trade in Krugerrands was lively. Quite a few proud owners were taking a profit, according to bullion dealers in the City. But if tomorrow's unveiling of three months' trade figures brings down sterling, Krugerands could suddenly become far more desirable. (Since January, the coin's price has risen more than £30, to around £145.)

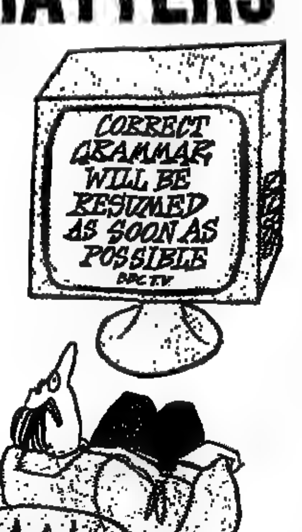
Such factors give added significance to the series of prominent advertisements now appearing in *Newsweek*. Inserted by the South African Chamber of Mines they proclaim the virtues of the "cash-and-carry gold." The advertisements say that Krugerrands are traded by banks in Germany, the United Kingdom and a string of other countries (including Andorra).

But it is not true of all banks in this country. Lloyd's and Barclays stopped handling these one-ounce coins a year ago—simply because, I gather, the commission was not enough to make the business worthwhile. But you can still go, for instance, into the NatWest branch in Wigan and they will take yourorder for a Krugerrand with alacrity.

The main "across-the-counter" dealers in the coins are Johnson Matthey. "When the price of gold soars, purchases jump up," they told me yesterday. In theory, of course, the number of Krugerrands in Britain is static, because importation was stopped after 1975.

But nobody believes that. "Quite a few people are prepared to buy without asking too many questions," I was told. How many are being hoarded in Britain is an utter mystery. Last year, Krugerrands represented more than a quarter of all South African gold production: 6m coins were sold internationally, with a total value of nearly $1.2bn.

A word of warning, though, for would-be speculators. The



tax inspectors are now asserting that profits on Krugerrands should be treated as self-employed earnings rather than capital gains, which tarnishes the pleasure a little, I fear.

People's opium

For all Ayatolah Khomeini's insistence that Islam is an all-embracing panacea, Iran is returning to traditional sources of solace. A little-noticed consequence of the revolution has been an upsurge in the use of opium, always an intractable problem under the Shah. The Koran makes no specific injunction against the sap of the poppy.

Supplies of opium have, moreover, become a great deal more plentiful as a result of a flourishing little trade between Afghanistan and Iran whose consequences—in London, for instance—have lately been horrific. Appearing in no government statistics, the trade involves guns "liberated" from Iranian army arsenals and bartered over the unguarded border for an increasing porportion of Afghanistan's annual production of opium, which is about 300 tons.

Back-street refineries then turn some of the raw material into heroin for the Western street market—Iran is now the largest supplier to the London black market.

It is a problem the Bazargan government and the clergy have done, perhaps can do, little to stop. Farmers were recently told to sell all their opium to the State. But an appeal by the head of a drug rehabilitation unit in Tehran for Khomeini to declare opium "haram"—a religious ban—elicited no response.

One possibility being investigated by London police at the moment is that the heroin coming out of Iran is responsible for the recent deaths of six addicts. One theory is that the Iranian supplies are either unexpectedly pure, or "cut" with a poison such as strychnine.

Recycled notion

The change of government has not, of course, changed economic hopes overnight. So it was hardly surprising to find the chairman of the Association of Independent Businesses, Brian Kingham, complaining in time-honoured fashion yesterday about the plight of the 25,000 smaller firms he represents: "Despite all the fine words and fashionability of 'the small man,' things are actually getting worse, not better," he said.

This, and related sentiments, naturally went down well with his audience: tyre retread manufacturers, who all fall into the category of "small." What is certainly not in dispute, for whatever reason, is Kingham's observation that their product has had a consistently bad Press —despite the fact that well over 5.5m tyres are retreaded every year in the UK.

The retreaders, and possibly Mrs. Thatcher, will perhaps appreciate Kingham's positive suggestions. Pointing out that making a new tyre takes 7.5 gallons of crude oil, while retreading consumes only 2.5, he announced the results of a session he had had with his pocket calculator. "If the Government is serious about energy saving, why doesn't it look closely at what the retread industry and at the vehicles used in public service?" That, said Kingham, added up to 20m tyres. Their periodic replacement cost was effectively 4m barrels of oil.

The idea is indeed a novel one in Britain, though the U.S. military has been running on retreads for some time. The French government has just signed an agreement with its own industry to use a percentage of retreads from next year.

Listener's choice

The new editor of The Listener will be named tomorrow, I hear from Broadcasting House. He is Anthony Howard, for six years editor of the New Statesman. Since he gave up that job last year, Howard has been freelancing and doing a lot of work for the BBC.

Although he has not turned Tory like Paul Johnson, another New Statesman ex-editor, Howard is now a middle-of-the-road Establishment figure. So the BBC Governors have not been deterred by fears that The Listener might become radicalised in his hands.

Howard, 45, replaces George Scott, 54. Scott is going to head the EEC office in London.

Lean times

The joke going around Smithfield Market this week is about the old lady who asked her butcher for a leg of lamb. After putting it on the scales, he said: "That will be £8.20."

When she expressed shock, he explained: "It is English."

"I want to eat it," she said, "not talk to it."

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ECONOMIC VIEWPOINT

The Budget I would like to see

Let us suppose a Chancellor were to say to an adviser: "You draft the best Budget speech you can for June 12 and you leave me to adjust it for the politics." In the extremely improbable event of such an instruction being taken at face value, a fragment of an early draft might look as follows.

NO ATTEMPT to bring in a full budget so far through the financial year would be a mistake.

I am concentrating my most urgent efforts on getting the right decisions for 1980-81, my first full year of office and on making this the basis of a three-year strategy.

First, however, I must tidy up the position in the present financial year, 1979-80. My predecessor because of the election was able to introduce only half even of a purely neutral Budget. He raised the tax threshold in line with inflation (the Rooker-Wise amendments) but did not index the specific duties. This I intend to do and also to index the starting points of the higher rates.

With these adjustments and with the transfer of £0.2bn of ECGD financing suggested by my predecessor we still face a Public Sector Borrowing Requirement of £10¼bn for 1979-80, compared with my predecessor's target of £8½bn. You will see from the documents to be published tonight that some of my advisers are predicting a growth recession (i.e. output growing at less than its usual rate—whatever that is) and consequently some further increase of unemployment. The track record of the national income forecast is not good; the forecast published last October also pointed to recession; and yet we have had a continuing upsurge of activity, and a rise of unfilled vacancies as well as a fall of unemployment.

Moreover, even if there is to be a growth recession, and it were practical to reverse it, should I raise or lower the PSBR? The theory of short-term fluctuations is in such a mess that both courses have equally plausible advocates: and the House may bear with me if I take the less inflationary course.

Our policy is geared to a successive reduction in the rate of monetary growth from a range of 8 to 10 per cent in 1979-80 to 6½ to 8½ per cent in 1980-81, 5 to 7 per cent in 1981-1982, and 3½ to 5½ per cent in 1982-83. For convenience these targets are announced in terms of "M3," but all aggregates will be monitored and changes to the machinery of monetary control will be announced later in the year. The Secretary of State for Industry has asked *TUC leaders to see him tomorrow evening* to explain the implications of these objectives for wages. *Overnight accommodation is to be provided for the meeting.*

We have decided not to join the EMS, but should the behaviour of the two currencies in the market move sufficiently close to each other, we would be willing to entertain proposals for a merger of sterling and the Deutsche Mark.

But to come back to the PSBR. Having expressed my scepticism about the National Income Forecasts, I am sure I shall carry the Chancellor—sorry I mean the Shadow Chancellor—with me, if I say I am equally sceptical of calculations of the amount which can be raised on the gilt-edged market without crowding out private sector borrowing of the sort which emanate from the not-so-young men who write the brokers' circulars. In 1974 and 1975, monetary growth was held firmly in control in the face of a PSBR widely regarded as too high, while in 1976 a borrowing requirement which my predecesor was assured could be financed, led to a run on sterling, several crisis Bank Rates, and a call on the IMF.

I start from a different position. It is that the UK public sector is a very small part of the world capital market; and provided that our monetary targets and our debt-servicing ability remain credible we can choose our own PSBR over a fairly wide range. I am aiming for a £7bn to £9bn PSBR this year, *with subsequent annual* reductions to from £3bn to £5bn by 1982-83, along a path set out in the Financial Statement. But the main reason why I am doing so is that so far from wanting to borrow overseas to finance the budget, I want to leave a surplus of investible funds to acquire a larger UK portfolio of foreign assets. This is surely a sensible way of building up an overseas nest egg against the time that the contribution of North Sea oil begins to decline. To encourage more outward overseas investment, neither a lower PSBR nor a phasing out of exchange control is alone sufficient: but together they may be enough.

The range I have given of £7bn to £9bn for the PSBR is not the realistic range of the forecast, which is more like £6bn to £10bn, but indicates the margin of tolerance beyond which we shall take correction. We shall, as with the monetary targets, aim for the middle rather than the top of the range—a statement which I realise will carry conviction only when we have at least a year or two's figures behind us.

I have given some thought to the best way of reducing the PSBR by the required £2¼bn—to reach the £8bn centre of the range. My search has been directed at ways which will also improve the micro-economic efficiency with which we use resources. So much attention has been paid as a result of inflation to the average level of prices, that the much more important role of *relative* prices in providing the efficient use of resources has been neglected. The price mechanism is neither a peculiar feature of capitalism nor does it imply *laissez faire*. Its use is beneficial in a publicly owned economy, and it is indispensable for any planning worthy of the name.

> "What the poor lack (at a first approximation) is not subsidised homes or subsidised bread, but plain, simple cash."

The most urgent area where we need to make greater use of the price mechanism is energy. By far the most effective incentive to oil saving is to ensure that the consumer pays the world price. But the market for energy is a single one. If gas or coal charges are not raised to what the market will bear, consumers simply have an incentive to waste other forms of energy instead of oil. Artificially cheap energy of any kind is now an invitation to inefficiency and to throwing away some of the potential benefits of the North Sea by consuming at home what we could more sensibly export at current world prices.

The Secretary of State for Energy will be giving details of an Energy Equalisation Tax to be paid by the Gas Corporation to bring the level of domestic as well as industrial prices up to that of oil in terms of energy equivalent. A smaller tax will be announced for coal, as that fuel is already much nearer what the market will bear. In addition the Petroleum Revenue Tax is to be raised to 60 per cent. These measures will bring in well over £1bn in a full year. But to give an additional incentive to fuel economy, as well as to bring in much needed revenue, I am raising by 10p—over and above indexation—the duty on petrol and derv, which would yield well over £600m in a full year.

This is the limit of my indirect tax increases. Public opinion realises that for well-known reasons a once-for-all increase of the price level is inevitable. I have decided to use the margin of toleration for such increases for measures which will promote most effective utilisation of our resources—a first indication of that shift from the management of effective demand to effective supply which will be the keynote of my policies.

This still leaves me up to £1bn short. This is not an unreasonable sum to recover from public expenditure economies. Indeed, the bulk can be obtained from sticking to the cash limits imposed by the previous Chancellor on the fictitious assumption of 5 per cent pay increase.

The future of Government-held earning assets will be considered quite separately from the budget. Contrary to Press rumours we believe it would be wrong to finance tax cuts by the sale of assets. Capitalising future earnings to raise revenue was last tried by Queen Elizabeth I and the early Stuarts when they sold monopoly rights in staple commodities. The precedent is not encouraging.

In our review of public spending we have rejected the temptation to go in for emergency or short-term wielding of the axe. Spending authorities will have to be kept to cash limits based from 1980-81 on a realistic view of the inflation rate. The limits may be adjusted in the light of changes in the general inflation rate, but not for cost increases of particular services whether they are due to wage settlements or to any other unexpected increase of what my predecessor used to call the "relative price effect."

But there will be no axing of departmental staff concerned with the preservation of historic buildings and city centres, no reduction of support for urban commuter services or rural branch lines. Extremely successful market economies such as Switzerland and Germany have always regarded these as legitimate activities of a civilised state. Nor will there be temporary halts to capital projects or government orders; such "cuts" are disruptive and serve no purpose in the longer run.

Some kinds of spending will be phased out altogether, others will be increased. No state support will be cut until we are satisfied that institutional obstacles to private provision have been removed. We aim to *increase* redistribution towards the least well off, but take the unfashionable view that what the poor lack (at a first approximation) is not subsidised homes or subsidised bread, but plain, simple cash.

A large proportion of the £3bn spent on "Trade, Industry and Employment" does not go on genuine collective goods at all. But the industrial subsidies have become built into the level of costs, prices and exchange rates. To each recipient it looks as if the heavens will fall if the cash is withdrawn—an example of the "fallacy of composition."

Much industrial intervention is in the nature of a social service payment to workers who would otherwise face the disruption of a sudden change in their activities and earning power. What is objectionable is not the payments themselves, but the pretence that state support for workers in enterprises such as British Leyland, British Shipbuilders or British Steel form part of an industrial strategy or will eventually pay off commercially. As a recognition of reality, I am transferring £1.5bn of industrial expenditure to the Secretary of State of Social Services. The more quickly these payments—which are means to be cushioning and the more quickly we shall be able to introduce the comprehensive negative income tax with which we mean to replace the present patchwork of means tested benefits.

But the most clear-cut example of a mistaken area of public spending is housing, which is a private and not a public good. There can be no question of picking on council tenants alone. Tax relief on mortgages, insurance premiums and the like are public expenditure in all but name ("tax expeditures" in the jargon), cost nearly £2bn pa, and are on a rising path. These are a subsidy to specific channels of savings and durable assets at the expense of others and will be phased out over three years starting in 1980-81.

Proceeding in this even-handed way it makes sense to phase out the £1.5bn of rent subsidies over a similar period. When the negative income tax is in operation we shall also be able to dispense with nearly another £1bn spent on rent rebates, option mortgages and the like. If housing is to be treated as a private good, the rationale of spending £2bn per annum on local authority building and improvements is called into question. Public spending and tax expenditures on housing come to the staggering sum of £6bn per annum and this leads to the starvation of genuine public services. By the mid-1980s all this will have been replaced by £1bn of special grants to local authorities in difficult inner urban areas to spend in any form they think fit, and £0.5bn on basically environmental construction such as new towns.

Our tax cuts will thus be geared to the progress made in basic reform of public spending. This may be longer, but it is also a surer, route than the quick cuts frequently canvassed. No further changes are to be made in income tax in 1979-80, but in 1980-81 the top rate of tax on earned income will be 50 per cent at a "cost" of £1bn in a full year (although in my personal view it will bring a revenue gain quite soon); and tax thresholds will be raised by £1bn over and above indexation. These are firm commitments . . . .

(At this point the manuscript breaks off.)

Samuel Brittan

Letters to the Editor

World trade and the recession

From the Assistant Commissioner (Commercial), Hong Kong Government Office

Sir,—In your editorial of June 5 you stated that the Tokyo Round trade package at present "avoids any ban on the imposition of selective measures against disruptive imports." But the ban already exists in the GATT; no less an authority than Olivier Long, director-general of GATT, has stated that "Article XIX clearly commands that emergency protective action be non-discriminatory," i.e., selective action is not permitted.

You concluded your editorial with a call for revival of the world's economy and in this connection it is worth recalling that in the previous recession of 1974-76 it was the markets in developing countries—and by no means just the oil-exporting countries—that provided the main growth for the exports of manufactures by the industrial areas of the world. As a GATT study noted, this "illustrates the important counter-cyclical or support role which developing countries can play during economic downturns in industrial countries."

The more developing countries are allowed to export, the more they can import!

P. A. S. Wise.
Hong Kong Government Office,
Grafton Street, W1.

North-south dialogue

From Mr. J. Madeley

Sir,—Your editorial on the UN Conference on Trade and Development (June 5) seems to miss the point. You say that without a revival of the world economy, the prospect for UNCTAD VI will be poor. But as long as developing countries are left out in the economic cold there is little prospect that the world economy will revive.

Surely the tragedy of UNCTAD V was that industrial countries did not have the vision to see where their own interests lie. They missed the opportunity to make changes that would give developing countries more purchasing power and hence provide a boost to the world economy.

The north-south dialogue is no dialogue at all if it merely consists of the south waiting on the north until the recession is over. A real dialogue should be more a question of both sides thrashing out changes that would enable the south to play a full part in overcoming that recession. But when is the dialogue going to start?

John Madeley,
9 Woodford Close,
Caversham, Reading, Berks.

The symbiotic age

From Mr. S. Oliver

Sir,—Maurice Samuelson's report (May 31)—'ICI Plant to cost £100m' made interesting reading. Although referring to an ethylene oxide derivatives plant in Texas, the implications are no less serious in this country. I felt that, now all too familiar, 'sinking' feeling when considering the impact on human employment. We are informed that the plant will provide 100 permanent jobs—an investment ratio of £1m per employee.

In the early 1950s there was a shortage of labour in this country and it was expected that the transition to automation might occur without too serious an employment problem. In fact, the UK Association of British Chemical manufacturers, who scheduled for an intake of 25,000 additional employees during the years 1949/1953, actually recruited 9,500, due to 'unexpected' technological advances in mechanisation and instrumentation, as well as to improvements in manufacturing processes.

It is vital to note that unemployment created by automation will not necessarily be of a transient nature. Automation is so different in degree that it may almost be considered as a different 'species' in man's technological advancement. We are told that man is now in at the birth of the 'Symbiotic Age'—his ultimate, everyday association with the computer and its support equipment.

I am writing to say that we may be in at the 'birth of our death,' if we do not look very carefully indeed at the implications of cybernation (automation and computers) on the human environment. Unemployment could rise very rapidly in the closing years of this century. What effective and humanly-satisfying plans are being laid by our Government?

I have recently been dismayed to hear opinions expressed by some eminent University academics and supporters of the 'added value' concept, that Britain should *pull-out of manufacturing* and leave it to someone else 'better-fitted to do it.' Nothing could be worse for our *highly* technological nation, both from the viewpoint of national security and the securing of satisfying employment for our talented youth.

At least Sir Montague Finniston has expressed the opinion that to advance our attention to 'service industries' at the expense of sophisticated manufacturing in which the greatest skill is used, seemed to be drawing the wrong conclusions from some admirable heresies.

Stanley Oliver.
(Senior Lecturer,
Salford College of Technology).
*35 Kingsley Drive,
Cheadle Hulme,
Cheshire.*

Retiring early

From Mr. J. Hardiman

Sir,—Micro-processor technology is clearly going to increase pressure for reduction of the male retirement age to 60, so that it will rank with shorter hours and longer holidays as a means of mitigating expected levels of unemployment.

Already the job release scheme allows early retirement from age 62 (60 for those partially disabled); and to those choosing voluntary early retirement must be added many thousands who are offered it in redundancy situations.

It is only in the last decade that employers have begun to accept the need for preparing men and women for normal retirement. Yet already those engaged in this work recognise that something also needs to be done for those retiring early, and in these cases there must be some difference of approach. Many of those ceasing employment in their fifties will certainly be thinking in terms of taking up other activities, paid or voluntary, and for this some element of re-training will be necessary.

As Government, industry and commerce embrace the new technology and increase their reliance on "early retirement," it is hoped that the Inland Revenue will become more flexible in such matters as maximum approvable pensions, early retirement formulae and ages, and maximum voluntary contributions, so that employers and employees can plan together the provision of some of the financial incentives necessary to secure ready acceptance of early retirement provisions.

There are some signs that companies are acceding to an increasing use of sabbaticals. This could well become a management feature for those with, say, 25 years service behind them and with little prospect of career improvement ahead of them; a lengthy sabbatical in which to re-train for a second career, with a reasonable early retirement pension to provide the basic necessaries of life, might well be an effective and not over-costly way of moving people out.

John Hardiman,
*2, Claire Court,
Broadstairs, Kent.*

Monopoly of supply

From the General Secretary Alliance of Small Firms

Sir,—Abolish the Price Commission by all means but with it the Government must abolish complementary legislation which permits the monopoly of supply. How else can the public tell if the new price of 10p for a first class letter and 15p for a pint of milk are fair prices?

(Mrs.) Teresa Gorman,
*Alliance of Small Firms Trading as Individuals, Partnerships and Companies
279 Church Road, S.E.19*

Index-linked pensions

From Mr. I. Hopper

Sir,—I would like to take issue with Mr. Kendall's assertion (June 4) that the villains in this piece are the insurance companies who, he says, will not accept responsibility for maintaining the value of the pensions they provide.

Any insurance company will quite happily accept such responsibility in the same manner as the Government does. That is to say, the insurance company will calculate at the end of the year how much the pension needs to be increased to maintain its value and will then pay out the additional amount to the pensioner subject to the employer paying the appropriate cost of the additional pension. This is exactly what the Government does, with the tax payer (as the employer) bearing the cost.

I. Hopper.
*26, Constantine Road,
NW3.*

Sherry drinkers drinking more

From the UK Marketing Manager, Harveys of Bristol

Sir,—The NOP Market Research finding (June 5) that sherry is on the decline is, to say the least, misleading. It suggests that there are less people drinking sherry and that sherry-drinking has gone out of fashion. Interestingly enough, larger samples indicate that sherry is more popular than ever before. Even the figures would indicate that, beer apart, sherry remains the most popular drink in the country. More than 26m people now claim to be sherry drinkers and they are drinking more than they used to.

The sherry market in 1978 increased by more than 8 per cent compared with 1977, and the way the market has moved so far this year it seems likely that this trend will continue.

Is this really a market that is "declining in popularity"? On the contrary, we are very pleased with the performance of a market which has been buoyant since the beginning of the century, and the figures above would hardly lead one to conclude that the peak of a product life cycle has been passed.

(Mrs.) A. H. Stewart.
John Harvey and Sons,
*Harvey House,
Whitchurch Lane, Bristol.*

Freedom of choice

From the National Branch Organiser, The Freedom Association

Sir,—Your report (May 25) of the industrial tribunal hearing where Mr. Harold Borrott, former employee of Norwich City Council, failed in his bid to establish unfair dismissal after he was sacked for declining to join a union on the grounds of religious conviction lacks certain background information of interest to your readers.

You report Mr. Gerald Lawrence, the chairman, as saying "We cannot accept that Mr. Borrott is a deeply religious man or has a religious attitude to life." He and his colleagues came to this conclusion despite the evidence of two local ministers to the contrary at the hearing and the collection of 81 religious books Mr. Borrott brought along. The full extent of Mr. Borrott's convictions might be judged by a letter to the Eastern Daily Press from ex Petty Officer A. Strike, who wrote: "Just before the landings at Algiers, North Africa, in the early hours of November 9, 1942, Mr. H. Borrott was serving with me as a messmate on HMS Coudray, a Hunt Class destroyer. He was known on the ship as a "Bible thumper," naval slang for a religious sailor. He carried his Bible with him even at action stations, after the ship was hit by the shore batteries and shortly after being hit by Junkers 88 bombers. During the confusion of men getting off a sinking ship, H. Borrott still had his Bible with him, even after being picked up by HMS Algerine."

The chairman would probably have dismissed St. Francis of Assisi with the same words he used of Mr. Borrott. "In our view Mr. Borrott has a certain amateurish interest in religion, but we would say more as a hobby than an object of serious study."

The report (which is concerned with the judgment) also fails to detail the intensity of feeling against the closed shop at Norwich. Mr. Borrott's case was taken up by the Norfolk branch of The Freedom Association which raised £750 to pay the legal expenses. Over 2,500 readers of the Eastern Daily Press signed a petition launched by the branch in that paper and a further 5,000 citizens signed in the streets of Norwich.

Gerald Hartup.
The Freedom Association,
11 Grape Street, WC2.

Wasted energy

From Mr. N. Muir.

Sir,—So Mr. Howell (June 2) has written to all ministers to urge them to step up the drive for oil saving by the public sector.

What he presumably has in mind are purely marginal savings such as lower lighting levels in Government offices or an earlier switch-off of street lighting. No Government yet has dared to tackle the biggest energy waste of all, perpetrated by an organisation answering directly to the Government: the persistent refusal of the Electricity Council to implement district heating from combined heat and power production. The nearest we came to tackling this problem was in the Plowden Report of 1976, which was then quietly ignored by the last Government, aided and abetted by the present Government in opposition.

Space heating accounts for about 30 per cent of this country's fuel consumption. With a predominantly urban population, probably one-third to a half of this amount could be replaced by waste heat from power stations, at present so profligately discharged into rivers, estuaries or to the atmosphere *from cooling towers. This would* make an enormous saving in the amounts of oil and gas used for space heating, and in fact give the consumer a greater security of supply—power stations are always going to have first priority of fuels in times of shortage, and so provided that they are running, there will be waste heat for space heating.

There are only three countries in Europe north of Italy—communist and non-communist alike—without large-scale district heating: Norway, Ireland and Britain. Norway still obtains much of its energy from cheap (and renewable) hydro power. Ireland, with a nationalised electricity generation structure fairly similar to Britain's, is putting its house in order by means of an active interest on the part of the Electricity Supply Board in district heating. As with the Electricity Council, the ESB has a charter obliging it to generate electricity at the best possible efficiency (it also has various other obligations, but they are not relevant here) but, unlike the Electricity Council, it sees no reason why that Charter should not be changed. Hence the investigations, to find the best way of getting into the district heating business and saving money and fuel, and hence the work being done inside the ESB by its own lawyers on a suitable proposal for how they would like their new charter to look. There is no corresponding internal motivation in the Electricity Council to change its charter, and the Government doesn't want to know.

North Sea oil is not the answer to all our problems, allowing us to go on in the same old wasteful ways: on the contrary, its discovery probably did this country the greatest disservice that was possible. If that oil and gas had not been found, we might—just might—have been starting on a path to energy economy that other European countries started down as long ago as 1927.

Neil Muir,
7 Malvern Close, Shrewsbury.

Today's Events

UK: European Parliament direct elections.

Power workers' pay talks resume, Electricity Council, London.

Engineering workers' pay talks resume, Engineering Employers' Federation, London.

Mr. David Basnett, general secretary, General and Municipal Workers' Union, address Media Society meeting, Thomson House, Stratford Place, W.1.

Queen attends Beating of Retreat by massed bands of Household Division, Horseguards Parade, Whitehall, 9.30 pm.

Sir Kenneth Cork, Lord Mayor of London, presides at Court of Common Council, Guildhall, 1 pm (open to the public).

Overseas: European Parliament direct elections — Denmark, Ireland and Netherlands.

U.S. — Japan economic conference opens, Washington.

Egyptian General Election.

OFFICIAL STATISTICS

Housing starts and completions (April). Provisional figures of vehicle production (May). Survey of short-term export prospects (to end of 1979).

COMPANY RESULTS

Final dividends: Airflow Streamlines. Anglo American Group of S.A. Culter Guard Bridge. Doranakanda Rubber Estates. Guthrie Corporation. Harrisons and Crosfield. 600 Group. **Interim dividends:** T. Cowie. James Finlay. Hickson and Welch. Morgan Crucible.

COMPANY MEETINGS

Glynwed, Headland House, New Coventry Road, Sheldon, Birmingham, 3. M. Mole, Crindau Works, Albany Street, Newport, 11. Owen Owen, Clayton Square, Liverpool, 11.30. Pitney Bowes, The Pinnacles, Harlow, 12.15. Austin Reed, 103-113, Regent Street, W., 12. Standard Chartered Bank, Connaught Rooms, Great Queen Street, W.C., 12.

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Scrap helps Thos. Ward exceed £6m midyear

WITH IMPROVED performance in the iron and steel and engineering divisions more than offsetting a decline in construction Thos. W. Ward raised taxable profit by £1.48m to £6.17m in the half year to March 31, 1979.

The company says, however, that iron and steel trading surplus is unlikely to reach the first half level of £2.24m (£874,000) in the second six months, though stocks have been cut to reduce the impact of the fall in prices which has begun.

By contrast in construction, where halftime trading profit was down from £3.32m to £2.79m, a seasonal improvement in wholly owned construction activities is expected to counter lower contribution from associates.

	Half-year 1978-79 £000	1977-78 £000
Turnover	132,273	119,534
Iron and steel	43,803	32,984
Construction	25,715	24,373
Engineering	13,882	16,894
Motor distribution	33,058	31,491
Industrial services	15,775	13,792
Trading profit	5,476	4,475
Share of assocs	1,850	1,693
Interest	1,159	1,482
Pre-tax profit	6,167	4,686
Tax	3,236	2,332
Net profit	2,931	2,354
To minorities	—	10
Extraordinary gains	33	996
Attributable	2,964	3,360
Dividends	1,091	856
Retained	1,873	2,504

†After £1,375,000 (£1,284,000) depreciation.

Engineering, which pushed midyear profit to £664,000 (£280,000), motor distribution, which maintained £1m and industrial services, with a marginally lower £828,000 (£676,000), are all expected to show growth in the second half.

First-half turnover was ahead from £119.5m to £132.2m chiefly as a result of a more than £10m jump to £43.8m by iron and steel.

The net interim dividend is stepped up to 2.09375p (1.65p). A 3.085p final was paid last time from profit at a record £11.83m.

With the half-year tax charge up from £2.33m to £3.24m stated earnings per 25p share are 1p higher at 5.8p basic, and 0.9p up at 5.1p fully diluted.

HIGHLIGHTS

Lex discusses the new issue code proposed by the Council for the Securities Industries and looks at the interim profits from T. W. Ward which expanded by 32 per cent from a poor *comparable base to £6.2m. The capital reorganisation by Jessel* Trust is examined as is the latest tranche of funding by National Westminster Bank which, again electing not to join the rights issue queue, has issued another floating rate note, this time to raise $100m on tightly priced terms. The minimum coupon is 5¼ per cent. Elsewhere, R. W. Hawthorn Leslie has received its compensation for nationalisation and immediately unveiled a sizeable acquisition. McCorquodale has kept the *rights issue momentum going with a call for £3.2m to finance* higher working capital requirements and a recent takeover. On the results front, Armitage Shanks has kept its impressive growth promise made in the January defence battle and, as expected, Eva Industries' agricultural equipment sales have been hit by events in East Africa. Building product growth was enough to compensate for a marked associate income fall and flat valve earnings at Pegler-Hattersley.

Huntleigh looks for advance

AN ADVANCE in turnover and profits is expected in the full year, Sir Joseph Hunt, chairman of the Huntleigh Group, the technology electronics and engineering company, told the annual meeting.

But he said they did not expect a good first half. Sir Joseph added that there was a great deal of development under way throughout the group.

Comet up 30%—trading strongly

FURTHER GROWTH was achieved by Comet Radiovision Services, electrical goods and gas appliances retailer, in the 26 weeks to March 3, 1979, with taxable profit rising 30 per cent from £4.24m to £5.53m. Sales were better at £85.81m, compared with £68.04m for the first 27 weeks of 1977/78.

In December the company reported that the volume of trade at the beginning of the current year was higher than 12 months earlier, and the increase was expected to continue.

Mr. M. J. Hollingbery, the chairman, now says that trade is running substantially ahead and results for the full year are expected to be satisfactory. Last time profit climbed to a record £6.31m.

Since halftime the group has acquired control of Caledonian Holdings. Though this has reduced bank interest receipts the new subsidiary is making a satisfactory contribution to group results and will be consolidated from April 10. Comet has also acquired R. P. Carmichael and Company, jeweller and department store operator in Hull.

The present level of the electrical trade is expected to be maintained in the 1979 pre-Christmas period and two new McOnomy stores should produce profits in the coming year. The group is planning to open two more of these stores and several new stores in the home improvement division of Caldonian during 1979, the chairman states.

As the directors can see no possibility of stock levels falling to such an extent that mainstream corporation tax will become payable, estimated tax will be reduced in the final accounts resulting in a substantial increase on the 12.4p stated earnings per share seen in 1977/78.

However, for the purposes of the interim results, the company shows an estimated tax charge of £2.9m (£2.05m) leaving stated earnings for the six months ahead from 8.8p to 10.6p. The net interim dividend is effectively doubled to 1.9p (0.983p) and the company is again seeking to double the total.

Last year the Treasury only allowed a 54 per cent increase taking the total to an adjusted 2.71p after the scrip issue. After waivers on 12.3m shares the interim payment absorbs £278,325. Members are to be asked to approve introduction of a profit sharing scheme.

Fixed assets were up from £8.47m at September 2, 1978, to £7.06m at March 3 and investments, relating mainly to the acquisition of Caledonian, from £474,000 to £3.69m. Stocks were down from £30.67m to £20.57m and cash from £10.48m to £7.89m.

● comment

Against a background of buoyant consumer spending, Comet has turned in a creditable underlying profits increase of just over a third for the first half. With the results reflecting a volume gain of roughly 15 per cent, compared with an 8 per cent rise for the durable goods retailing sector, analysts were expecting a bigger margin improvement but this would have been difficult given the hefty wage increases during the period and mounting competition from other retailers such as Currys. For the present, trading is exceptionally strong but this is almost certainly a false trend given the impending Budget. After that the outlook is less certain, although past performance suggests that Comet should be able to keep ahead of the national picture. At this stage there is a question mark over the future of the various companies in the Caledonian stable (acquired earlier this year) but the rest of the group should be able to turn in at least £8.25m for the year, against £6.4m last time. The prospective yield is roughly 3 per cent at 182p, up 7p yesterday.

Marks and Spencer plans £300m store spending

Marks and Spencer is to spend £300m on its UK stores over the next four years. The development programme will add 450-500,000 sq ft of selling space.

Sir Marcus Sieff, chairman, says that they plan new stores for Truro, Inverness, Harrow, Redditch, Blackpool, Walsall and Exter. Many others will be rebuilt and extended, and the modernisation of the whole chain will continue. In Dublin, a major new store—the first in the Irish Republic—will open this year.

In the last financial year to March 31, 1979, the group's capital spending rose from £47.8m to £59.3m. Of this £45.2m, against £32.3m, was on property. Last year UK selling space rose 108,000 sq ft to 5,267,000 sq ft.

The accounts for last year show cash and short-term funds at £117.2m, against £65.8m.

The group raised the dividend last year by 23 per cent to 2.61p, but it was refused permission by the Treasury to make an increase of 30-35 per cent in line with profits. With the possibility of dividend controls being lifted it would be open to the group to make up the difference.

The current year has started well and textile and food sales are ahead. Sir Marcus said the main uncertainties were the rise in inflation and the expected Turning to costs Sir Marcus says the group is using less electricity than in 1974-75 despite a large increase in space and the installation of more air conditioning and refrigeration. As a result, in the last financial year the group's energy saving campaign, *now in its sixth year,* saved the company an estimated £2.4m, at today's prices.

Without the campaign, adds Sir Marcus, they would be using 30 per cent more energy.

And the latest "Good Housekeeping Campaign" cut out a number of bureaucratic tasks in head office and the stores, and improved customer service. Margins were maintained and costs kept under control.

Expansion continues overseas. The Marks and Spencer division of the Canadian company will open six new stores and two extensions by Christmas. During the year the losses of this division were substantially reduced.

The other two divisions in Canada made excellent profits, says the chairman, and both are opening new stores.

The Canadian operation is now in profit overall. The Marks and Spencer division is expected to be in surplus by the year-end. The other two divisions were making substantial profits.

But exports were disappointing the Caribbean and South America, £53.2m to £44m. Nigeria, the group's largest customer, banned almost all clothing imports in April 1978. Exports to Iran, their third largest customer, have ceased. Malta banned UK clothing imports and Kenya introduced severe restrictions.

But the group is developing its markets in Japan, Hong Kong, Nigeria—total UK exports fell from and exports are expected to better in the current year.

Sales in the Continental stores would be substantially higher, says Sir Marcus.

In the UK, store sales rose *from £1.13bn to £1.38bn and, after* inflation, the volume increased substantially. Total group sales for the period were £1.47bn, against £1.25bn.

Sir Marcus adds that the new departments in their stores, such as books and horticulture, are making good progress.

St. Michael Finance became involved in leasing assets to third parties and its profits contribution, including the benefit of capital allowances, was £1.35m.

A current cost statement shows historical pre-tax profits reduced from £161.55m to £150.8m. This was after adjustment for depreciation of £7.44m and for cost of sales of £5.66m, and a gearing adjustment of £2.34m.

Meeting Hotel Inter-Continental, Hyde Park Corner, on July 3 at noon.

Former P & O chief executive receives £77,000 compensation

MR. SANDY MARSHALL, the former P & O chief executive who resigned last March, has been given an ex gratia payment of £77,000 and has had his pension entitlement augmented.

Speaking at P & O's annual general meeting yesterday, Lord Inchcape, the chairman and chief executive, said that "it is sad that Sandy Marshall's many good qualities are lost to P & O." He resigned because of "differences over policies which the rest of the board were convinced must be pursued."

Elaborating on the recent management changes, Lord Inchcape said that "instead of a highly concentrated top *management, with operating divi*sions closely controlled by a chief executive assisted by a number of corporate staff departments, the management of the divisions has now largely been devolved."

The chairman confirmed that P and O was negotiating the sale of its 15 per cent interest in the Beatrice North Sea oil field. "It is worth more to a major oil company with downstream interests than it is to P and O as an investor." Lord Inchcape added that "the venture certainly comes into the high risk category until the oil is actually flowing." He declined to say how much the group was hoping to get for the Beatrice stake.

In addition, in answer to shareholders' questions about the Board's long-standing commitment to reduce its fleet of LPG carriers, Lord Inchcape declined to give any details about the state of negotiations.

The big LPB carriers are currently earning around $350,000 per month and the Board reckons that to cover operating costs and depreciation, rates of $800,000 need to be earned. This should rise to $800,000 if the group is to earn a proper return.

Lord Inchcape said that "while we expect 1979 to be another poor year, I am glad to say that we are recovering from the bad start." The economies flowing from the reorganisation were beginning to make themselves felt "and while the main benefit will come in 1980 and later years, the results for 1979 will be better than we could otherwise have expected." "It is also likely that our aggregate borrowings will be lower by the end of 1979, though more markedly so in the following year," he added.

See Lex

Century Oils little changed

EXTERNAL STRIKES and delayed price increases were responsible for second-half profits of Century Oils Group slipping from £718,000 to £670,000.

But the manufacturer of lubricants and industrial hygiene products ended the year to March 31, 1979, marginally higher at £1.26m, against £1.15m. Sales were up from £20.26m to £22.66m.

The directors say second-half profits were adversely affected by various external industrial disputes and by the fact that price increases could only be applied at the end of the period. The current level of trading is good, they add.

At midway, the surplus was higher at £587,000 (£435,000), and the directors expected a satisfactory profit increase.

After tax for the year of £233,182 (£236,947), earnings per 10p share are shown up from 10.77p to 12.05p. The net final dividend of 2.2999p lifts the total to 2.9049p (2.6347p). The directors say the final dividend will be adjusted to reflect any tax reduction in the Budget.

	1978-79 £	1977-78 £
Sales	22,656,536	20,262,275
Trading profit	1,487,890	1,390,458
Interest	230,466	237,324
Profit before tax	1,257,424	1,153,134
Tax	233,182	236,947
Net profit	1,024,242	916,187
Exchange loss	15,467	—
Extraord. debit	28,020	6,927
Attributable	980,755	909,260
Dividends	250,988	228,142
Retained	729,757	681,118

Highams jumps 55% to £1.8m

WITH TURNOVER up 10 per cent to £27.33m, taxable profits of Highams, textile manufacturer, jumped by 55 per cent from £1,164,739 to a record £1,805,739 for the year ended March 31, 1979.

At 26 weeks, the surplus was ahead at £762,000, against £506,000 in the corresponding 27 weeks.

The directors report that during the year the group's main activities maintained full production in spite of strikes in other sectors of the industry. Meanwhile, the successful installation of new plant and changes in market factors contributed to the significant improvement.

Interest was reduced at £159,380, against £213,370. Tax took £942,718 (£616,767) leaving net profits for the year up from £547,972 to £863,071.

Earnings per 25p share increased from 9.1p to 14.33p and a net final dividend of 2.66p raises the total payment to 3.43p, compared with 3.011p, absorbing £206,543 (£181,313).

● comment

Highams has benefitted from the effects of an extremely harsh winter. Strong demand for its bedding products in particular led to a generally more buoyant *household textiles sector.* This appears to have been the main thrust in the massive 55 per cent jump in group profits last year. Margins were also improved by some two points to 6.6 per cent on a volume gain of slightly above a tenth. Other contributory factors have been the installation of its new plant at Grape Mill and the slight restriction of imports under the Multi Fibre Arrangement. At 67p, down 1p, the shares are currently selling on a p/e of 4.8 on stated earnings, and yield around 8 per cent.

Reduced loss by E. Jones (Contractors)

A reduced loss of £27,941 is reported by Edward Jones (Contractors) for 1978, compared with a £46,784 deficit previously. Turnover amounted to £3.19m, against £3.93m.

As anticipated at midway, when the loss was £67,000, against a £50,500 profit, the improvement was as a result of a return to profitability by the contracting company during the second half.

This improved trend has been affected by recent adverse weather although it is not yet possible to assess the extent to which this will affect the result for the current year, the directors say.

Current trends indicate an improvement in the general trading conditions. Although the order book is not yet full, tenders show an improvement over recent months and the group is trying to get more profitable contracts.

Last year's loss was before a tax credit of £19,437 (£26,597) and minorities £3,194, against £13,341. In the previous year there was also an extraordinary debit of £11,722. Again, there is no dividend.

The directors say that contributions arising from settlement of contract claims which were expected to be received in 1978, still remain outstanding.

R. Pullman

The £3m five-for-13 rights issue at 118p by R. and J. Pullman, the clothes and textile group, has been taken up by 81.53 per cent.

Mr. M. A. Hope, the chairman, and Mr. R. R. Speeterman, the deputy chairman, took up 335,863 shares; they had undertaken to subscribe for 252,965. The unsubscribed shares have been underwritten by Capel-Cure Myers.

Burco steady at £0.75m

Burco Dean turned in taxable profits of £753,000 in the six months to March 31, 1979, compared with £720,000 last time. Turnover stood at £14.05m, against £13.87m.

The directors of the manufacturer of domestic electric and gas appliances and kitchen furniture say industrial action in the furniture industry depressed Eastham profits, while the transport strike affected profits in all companies.

Last year's profit level was maintained, they say, although the market for the group's types of consumer durables—particularly large domestic appliances—suffered with the rest of the industry.

If this particular sector recovers, the directors add, the group should have a reasonably satisfactory second half. But they are unable to predict that last year's £1.63m will be exceeded.

After tax for the half year of £397,000 (£292,000), net profit came through lower at £356,000, against £428,000. The net interim dividend is stepped up from 1.675p to 2p per 25p share —last year's total was 4.1521p.

● comment

One reasuring feature to surface *from Burco Dean's interim* results is that margins have continued to hold up well against a difficult background of haulage strikes and industrial action in the furniture industry. The latter depressed Eastham's profits while its domestic appliances division was also hampered by transport problems. Nevertheless the group was still able to turn in an overall 4.6 per cent increase in its half time results which pleased the market and the share price rose 3p to 82p. Growth came predominantly from the gas side where demand is apparently strong and is expected to continue, but prospects in the electrical goods side remain uncertain. Burco's hopes are now pinned on a recovery in the market for large domestic appliances. And depending on the level of consumer spending, overall profits could show a modest rise to £1.75m. This suggests a prospective fully taxed p/e of 8.1 and a yield of 9.3 per cent on the foreshadowed dividend total.

GRAMPIAN TV

The annual meeting of Grampian Television and the extraordinary meeting on the proposed scrip issue have been postponed until July 26 because of printing difficulties with the preparation of the annual accounts.

The second interim payment date, previously June 28, will be announced shortly.

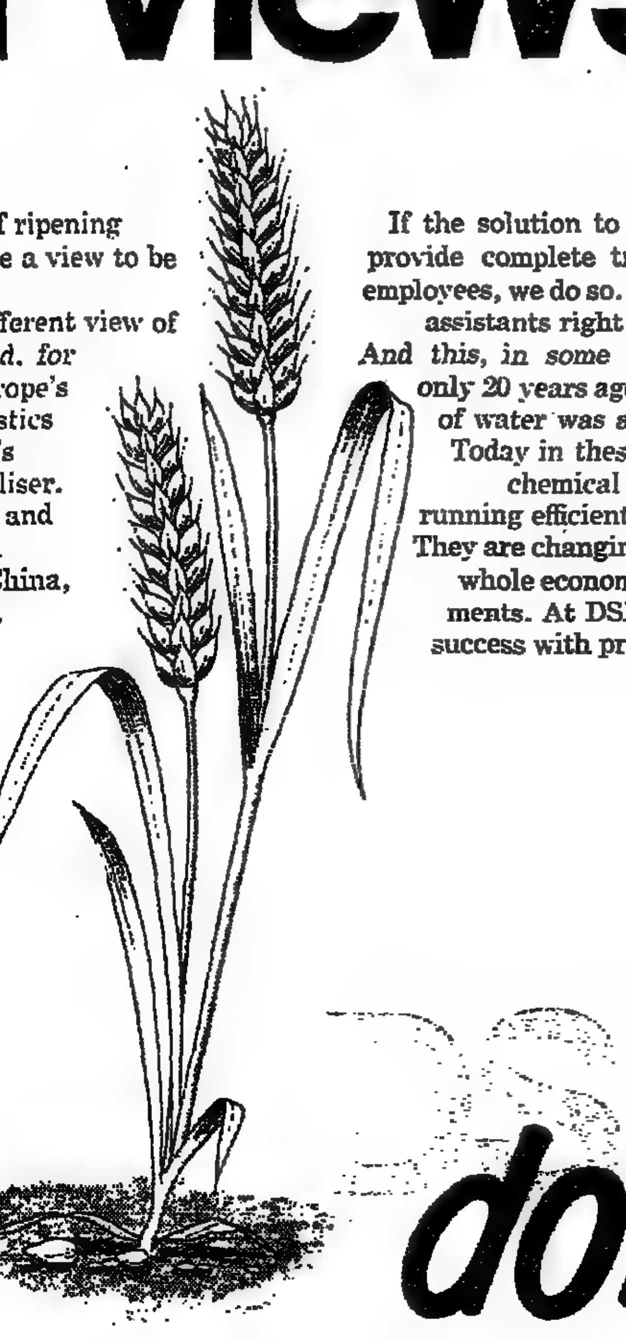
DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Armitage Shanks	3.2	Oct. 1	2.32	5.2	4.3
Buffelsfontein	120¶	Aug. 10	110	200	170
Burco Dean int.	2	Aug. 9	1.68	—	4.15
James Burrough 2nd int.	3.53	July 2	2.97	4.82	4.29
Carr's Milling int	1	July 2	0.86	—	2.92
Century Oils	2.3	Aug. 4	2.08	2.9	2.63
Clydesdale Collieries	18§	Aug. 24	9	26	15
Comet int.	1.9	Aug. 3	0.98	—	2.71
Eva Industries	3	Aug. 31	2.9	5.4	4.8
Griqualand int.	20¶	Aug. 24	24	—	55
Hawthorn Leslie int.	1.25	—	—	—‡	1
Highams	2.66	Aug. 6	2.31	3.43	3.01
McCorquodale int.	2.64	July 30	2.3	—‡	6.35
Mountview Ests.	1	Aug. 10	0.87	1.5	1.32
Oceana Development	0.67	July 18	0.42	0.67	0.42
Seutrust	24¶	Aug. 24	18	38	30
Sterling Trust int.	2.5	Aug. 1	2.2	—	6.3
Stilfontein int.	35¶	Aug. 10	16	—	66
Trans-Natal	14¶	Aug. 24	10.5	24	18.5
Thos. W. Ward int.	2.09	July 2	1.65	—	4.74
W. Rand Mines int.	7.5¶	Aug. 10	7.5	—	17.5
Consol. Murchison int.	30¶	Aug. 2	Nil	—	Nil
East. Transvaal	35¶	Aug. 2	25	50	35
Hartebeestfontein	290¶	Aug. 2	175	400	250
Zandpan	49¶	Aug. 2	29.5	67	41.5
Narboro' Rubber int.	0.7	June 30	0.7	—	1.5
Carroll int.	2.9	July 9	2.15	—	7.1

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Final of 4.66p forecast on increased capital. § Final of 2p forecast. ¶ South African cents.

Exchange of views



Looking across a field of ripening wheat is for many people a view to be remembered, treasured.

At DSM we take a different view of *fields all over the world, for* besides being one of Europe's great chemicals and plastics groups, we are the world's largest producer of fertiliser.

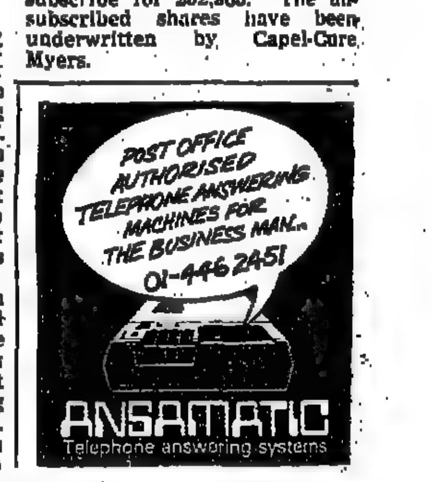
With DSM know-how and people we have changed and improved fields in China, Japan, Canada, Mexico, Finland and Turkey.

If the solution to a problem is to provide complete training to local employees, we do so. From laboratory assistants right up to managers. *And this, in some locations where* only 20 years ago boiling a kettle of water was an unknown art. Today in these areas, complex chemical installations are running efficiently and smoothly. They are changing and improving whole economies and environments. At DSM we view their success with pride.

do!

DSM chemicals and plastics

To find out how much more we do, write to the Information Department, DSM PO Box 65, Heerlen, The Netherlands.



How to trade commodity futures like a professional- even though you aren't one.

Come to the next Merrill Lynch Seminar

You may know that a lot of money can be made speculating in commodity futures. And we hope you know too that there are risks associated with the opportunities.

That's why it doesn't pay to take the risks unless you're shrewd enough, experienced enough, and disciplined enough to trade wisely.

And that's also why Merrill Lynch offers certain investors the opportunity to participate in Managed Commodity Accounts. Having Merrill Lynch's respected commodities professionals trade for you doesn't make the risks go away. But it does mean that you have enhanced the possibility of profit by putting your money in the hands of top professionals who spend all their time following the commodity markets.

The best way to find out if a Managed Commodity Account is right for you is to come to the Merrill Lynch Seminar we are holding at 6 p.m. on Wednesday June 20th at Merrill Lynch House, 3 Newgate Street, London EC1.

Here you will be able to find answers to such questions as these

* Exactly what is a Managed Commodity Account.
* Why must an individual be able to comfortably afford to set aside a minimum of £25,000 in trading capital at the outset in order to open such an account? (This trading capital should not represent more than 10% of net worth.)
* How can such an account be a useful hedge against inflation?
* Why can it be useful to have a London based professional commodity trader working for you?

All this and more will be explained at our Seminar. So make your booking now by telephone to Anne Hollingsworth on 01-236 1030 or send off the coupon below.

FT 0706

Merrill Lynch

Merrill Lynch, Pierce, Fenner & Smith (Brokers & Dealers) Ltd., Merrill Lynch House, 3 Newgate Street, London EC1 7DA.
Please reserve........places for me at the Commodity Seminar on June 20th.
I do ☐ I do not ☐ have commodity investments at present.
Name
Address
Nationality
Telephone office Home

هكذا من الأصل

St Michael®

The financial year ending 31st March 1979

Sales £1,473,000,000.

Statement by the Chairman The Honourable Sir Marcus Sieff, O.B.E., B.A.

. J. Edward Sieff retired at the end of this year from Board having been a director since 1939 and naging Director from 1946 to 1972. In 1967 he ceeded the late Lord Sieff as Chairman and in 1972 President. At the request of his colleagues he has epted the position of Honorary President. Mr L.R. odman tendered his resignation, having been a ector since 1971. I thank them for their tributions. During the year Mr. C. V. Silver, an rnate director, and Mr. A.K.P. Smith, a senior cutive, were appointed directors of the company.

nsolidated Results

group sales reached £1,472,954,000 and our fits before tax £161,554,000. After taxes of ,312,000, and an adjustment for minority interests, re remains £85,512,000 for distribution, against ,535,000 last year. This figure is after the luction of £2,695,000, allocated to the Employees' fit Sharing Scheme, compared with £1,925,000 year and £1,971,000 to fund the increase in sions awarded during the year, compared with 88,000 last year. Our staff and pensioners share in prosperity and progress.

vidend

r six years of severe restrictions, we are pleased to ible to recommend a substantially increased final dend of 1.4587 pence per share, which makes the l distribution for the year 2.6087 pence per share. would have recommended a larger dividend but Treasury did not agree with our interpretation of new rules.

ealth Creation

ks & Spencer, which is one of the U.K.'s leading llers, creates wealth because of the part it plays its suppliers in developing production, both of raw erials and finished merchandise. We operate itably under competitive conditions and provide ployment, directly and indirectly, for over two dred thousand people in the U.K.

need adequate profits:-

to maintain and improve the quality of our merchandise, service and stores;

or our store development programme in the U.K. which will cost £300,000,000 over the next four years;

to reward the 260,000 shareholders, who include major insurance companies and pension funds, and many small holders, including nearly half our staff;

to reward our staff;

to take care of our pensioners.

year we paid £98,285,000 in taxes to central and l government in the U.K., in addition to ,018,000 which we collected as agents of the ernment in VAT and income tax.

The creation of wealth through profitable and efficient free enterprise is one of the foundations on which British democracy is built. It maintains and improves living standards and the quality of life, and finances important social and other Government services. Without a thriving free enterprise sector within the mixed economy, the standard of living and quality of life for the majority will decline.

Staff

Our staff, who have a reputation for friendly and good service, make an important contribution to our success. In this winter of transport strikes and very bad weather, their efforts to be at work on time and do a first class job have been outstanding. We thank them.

We treat each member of our staff as an individual and with respect, keep them in the picture and encourage them to put forward their views, which are taken into account before decisions are made; the vast majority willingly accept their obligations and responsibilities as well as their benefits. Their attitude and involvement in the business are exemplary.

Out of over 17,000 staff, who participated last year in our Profit Sharing Scheme, only 357 have sold their shares. This year 18,250 of our staff qualify under the improved arrangements which will, if shareholders approve, include an option for those staff who wish to take advantage of the tax concessions in the 1978 Finance Act.

U.K. Sales

Our store sales in the U.K. have grown to £1,360,601,000 against £1,134,543,000 last year, an increase of £226,058,000. Our sales volume, after inflation, increased substantially. Strikes, industrial disruption and the very bad weather of the last three months of the financial year, led to a considerable loss of sales, but underlying demand remained strong.

St Michael Quality

For over 50 years the progress of our business has been based on upgrading the goods we sell and satisfying the changing needs of our customers. The upgrading has been based on the co-operation of our technologists with those of our suppliers. Our scientists and technologists continue to make an important contribution to the essential search for improvements.

The demand for up-to-date styling in clothing and footwear is ever-growing, as is the appreciation of the inherent comfort and wearability of wool and cotton, including blends, particularly those with "easy care" properties.

We are not satisfied that we provide a sufficiently wide range of fittings in many departments to meet the needs of our customers and hope to give an improved service in the coming year.

Suppliers

Over 92 per cent of "St Michael" clothing, footwear and home furnishings are British made, but we recognise that design and manufacturing talents are world-wide and have accordingly developed some resources abroad to complement U.K. production and provide our customers with the full range of choice they seek.

Our suppliers and we still have to import a large proportion of our woven fabric requirements from high wage countries, as the qualities and innovation we seek are not always readily available in the U.K. A number of British manufacturers are now making determined efforts to fill some of these gaps.

In foods, we continue our policy of upgrading the quality and improving the taste. There is a ready acceptance of high quality, appetising foods where prices still represent good values. "St Michael" foodstuffs have an established reputation for their quality and freshness.

Our progress continues to be based on "St Michael" textiles and foods but new departments, such as books and horticulture are making good progress. We work closely with our suppliers, forty-eight of whom have worked with us for over 40 years and one hundred for more than 25 years. We thank them.

Experiments during the year in some of our medium size and smaller stores have proved there is scope for substantially increased business in all of them. Our customers in these stores want the sort of range of "St Michael" goods too often only available in our largest stores.

Good Housekeeping

Our latest "Good Housekeeping Campaign" resulted in the elimination of a number of bureaucratic and unproductive tasks—in both head office and stores—and in improved customer service. Margins were maintained and costs kept under control.

Energy Conservation

We improved the standards of lighting, heating and air conditioning in many stores. At the same time our continuing "Energy Conservation Campaign", now in its sixth year, has kept consumption under control. We use less electricity than in 1974/5, despite a large increase in our space and the installation of more air conditioning and refrigeration in many stores. We estimate that, as a result, we saved in the financial year £2,400,000 at today's prices and that without our continuing campaign we would be using 30 per cent more energy. We thank our suppliers and contractors for their co-operation.

Store Development

During the year, we opened 9 major extensions including the Pantheon in Oxford Street, London and a new store in Ashford; we increased our selling area by 108,000 sq.ft. We improved the shopping and working environment in 20 other stores. In the coming financial year we shall open a new store in Perth, and 8 important extensions, including the main part of a large development in Edinburgh's Princes Street.

Our main development during the next few years will be in the U.K., with new stores in Truro, Inverness, Harrow, Redditch, Blackpool, Walsall and Exeter; we will rebuild and extend many others and continue modernising the whole chain.

M & S Overseas

In the EEC, we are building a major store in Dublin which will open this year. Our enlarged store in Boulevard Haussmann, Paris, is making excellent progress and like our store in Brussels is profitable; Lyons and Rosny II in Paris are not yet profitable.

Marks & Spencer Canada Inc., into which our Canadian subsidiaries were amalgamated, comprises three Divisions. The Marks & Spencer Division operates 56 stores trading on 489,000 sq. ft; six new stores and two extensions will open by Christmas. D'Allaird's operates 61 stores on 219,000 sq. ft. and Peoples 61 stores on 1,011,000 sq. ft; both are opening new stores. During the year the losses in the Marks & Spencer Division were substantially reduced while the two others made progress and excellent profits.

Exports

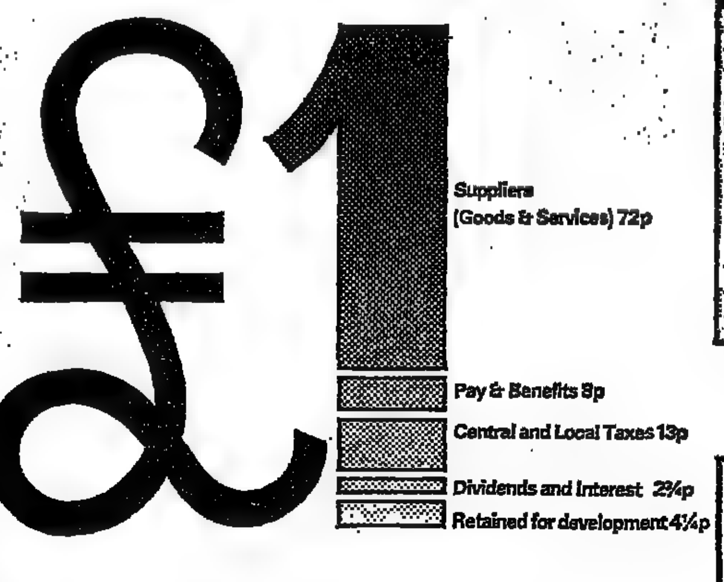
Exports have been disappointing. Nigeria, formerly our largest customer, placed a ban on almost all clothing imports in April 1978. Exports to Iran, our third largest customer, have ceased. Malta banned clothing imports from the U.K. Kenya introduced severe restrictions. We are developing exports to Japan's leading retailer and continue to increase our exports to Hong Kong, the Caribbean and South America.

Social Responsibility

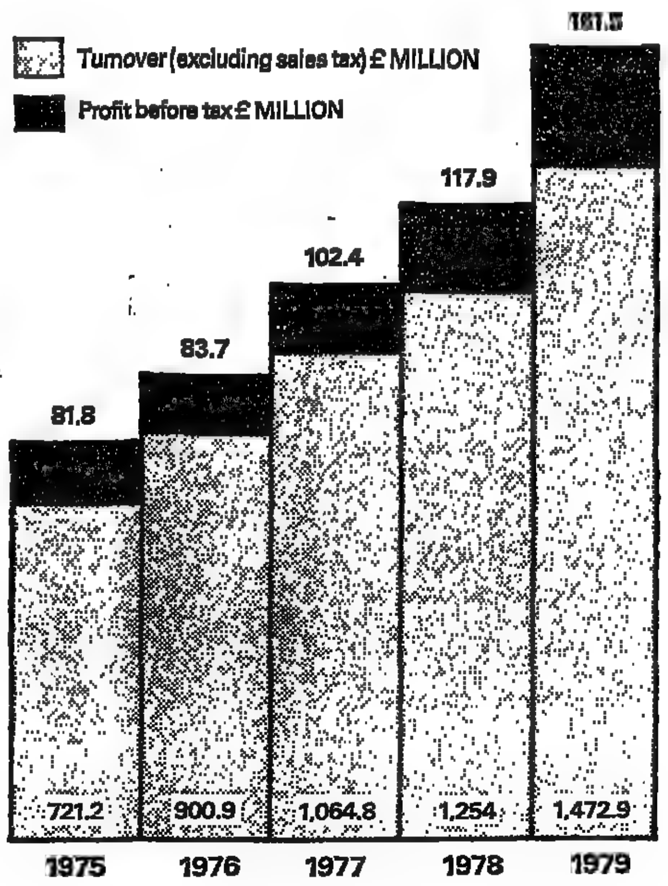
We recognise our social responsibilities and help the communities in which our customers and staff live. We select worthwhile projects which will involve and benefit many. Last year the company made charitable donations totalling £701,000 and incurred costs of £197,000 helping in the fields of medicine, the arts, education, research, and a youth scheme run by the Inter-Action Trust which has been copied in seven London boroughs. Staff from both head office and stores are willingly involved. In addition, we have seconded eight experienced people to help with a number of projects organised in co-operation with other companies and public authorities to assist small firms to establish themselves and to provide training and work experience, particularly for deprived young people. This is an area where the free enterprise sector is increasingly taking new initiatives.

We shall make progress so long as we pay attention to people, and continue to be sensitive to the needs of our customers.

Marcus Sieff



How we used each £1 of sales



EARNINGS PER SHARE Pence (adjusted for scrip issue in 1978)				
3.25	3.33	4.21	4.97	6.58

A copy of the full report can be obtained from: The Secretary (Room C133), Marks & Spencer Ltd., Michael House, Baker Street, London W.1.

MARKS & SPENCER

Your family is our business

This announcement appears as a matter of record only.

Bank for Foreign Trade of the Union of Soviet Socialist Republics

U.S. $28,923,520

Finance in respect of the Downhole and Wireline equipment for the Fyodorovsk and Samotlor Oilfields supplied by

Camco Limited

Arranged by

Lazard Brothers & Co., Limited

Provided by

Barclays Bank International Limited
Citibank N.A.
Lazard Brothers & Co., Limited
Morgan Grenfell & Co. Limited
Moscow Narodny Bank Limited

with the funding and payment guarantee of

Export Credits Guarantee Department

Agent Bank

Lazard Brothers & Co., Limited

NOTICE OF REDEMPTION

To the Holders of

Continental Oil International Finance Corporation

(now Continental Oil Company)

9½% Guaranteed Debentures Due 1985

Issued under Indenture dated as of July 1, 1970, as supplemented

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, $1,534,000 principal amount of the above described Debentures have been selected for redemption on July 1, 1979, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, each in the denomination of $1,000 bearing serial numbers with the prefix letter "M" as follows:

Outstanding Debentures bearing serial numbers ending in any of the following two digits:

00 03 04 09 12 16 23 31 35 36 43 45 60 65 71 74 75 94.

Also Debentures bearing the following serial numbers:

3 173 2373 4373 5673 7173 8073 10073 12273 13073 14373 15973 17973 20473 24773
73 573 3373 4473 6473 7573 8373 12173 12373 13373 15873 16573 18673 23373

On July 1, 1979, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the **corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, New York 10015,** or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris or Zurich, or Banca Vonwiller & C. S.p.A. in Milan or in Rome, or Bank Mees & Hope NV in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg. Coupons due July 1, 1979 should be detached and collected in the usual manner. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by a transfer to a dollar account maintained by the payee, with a New York City bank.

On and after July 1, 1979, interest shall cease to accrue on the Debentures herein designated for redemption.

Dated: May 23, 1979

CONTINENTAL OIL COMPANY

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

M 5 430 2210 3405 4431 6020 8141 12022 13313 15763 18062 20306 21352 21466 22171 23368 23473
7 676 2235 3407 4440 6025 9019 12944 13382 16296 18420 20525 21383 21469 22478 23387 24488
11 875 2241 3414 4468 6045 9020 12964 13363 16272 18421 20596 21394 21475 23010 23388 24594
17 1045 2334 3421 4471 6252 10236 12969 13112 17798 18424 20684 21306 21482 23221 23414 24628
27 1085 2482 3424 4483 6421 12103 12971 14357 17770 18737 20686 21399 21488 23223 23416
32 1107 2550 3815 4720 6425 12114 13039 14358 17801 18742 20602 21403 21490 23225 23418
33 1132 2937 4218 5642 6736 12118 13100 14359 17805 18944 21196 21411 21493 23226 23432
61 1133 2978 4225 5704 7072 12230 13138 14360 17807 18946 21197 21435 21496 23242 23423
63 1266 2977 4426 6016 7328 12795 13139 14458 17809 20177 21224 21443 21497 23323 23453
55 2105 3028 4420 6017 7780 12814 13141 15658 17810 20302 21340 21461 21498 23328 23459.

NOTICE OF REDEMPTION

To the Holders of

SCOTT PAPER OVERSEAS FINANCE N.V.

(now Scott Paper Company)

8¾% Guaranteed Debentures Due July 1, 1986

Issued under Indenture dated as of July 1, 1971, as supplemented

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, $1,500,000 principal amount of the above described Debentures has been selected by lot for redemption on July 1, 1979, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

OUTSTANDING DEBENTURES OF U.S. $1,000 EACH OF PREFIX "M" BEARING SERIAL NUMBERS ENDING IN THE FOLLOWING TWO DIGITS:

20 21 27 28 31 46 73 76 80 91

ALSO OUTSTANDING DEBENTURES OF PREFIX "M" BEARING THE FOLLOWING SERIAL NUMBERS:

208 1498 2698 3798 5198 6098 7498 8898 9598 11098 12098 13598 14498 15698 17298 18698 19998
708 2098 2698 4298 5598 6598 7798 8998 9898 11398 12498 13798 14798 15898 17798 18998
793 2208 3198 4493 5798 6798 7593 9098 10398 11498 12693 14198 15198 16698 18298 19298
1193 2308 3398 4598 5998 7298 8498 9398 10698 11998 13198 14398 15598 16898 18398 19798

On July 1, 1979, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of **Morgan Guaranty Trust Company of New York, 30 West Broadway, 13th Floor, New York, New York 10015,** or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London and Paris, Banca Nazionale del Lavoro in Milan and Rome, Swiss Bank Corporation in Basle, Geneva and Zurich, Bank Mees & Hope NV in Amsterdam, Crédit Lyonnais in Paris, Société Générale de Banque S.A. in Brussels and Banque Générale du Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a New York City bank.

Coupons due July 1, 1979 should be detached and collected in the usual manner.

On and after July 1, 1979, interest shall cease to accrue on the Debentures herein designated for payment.

SCOTT PAPER COMPANY
By MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, *Trustee*

Dated: May 29, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF $1,000 EACH

M- 343 637 1296 1302 1327 4210 4305 4343 4364 4442 4914 9729 9739 10689 11070 14376
528 745 1298 1314 4141 4229 4311 4344 4366 4465 5940 9730 9745 11068 14375

Companies and Markets

UK COMPANY NEWS

McCorquodale calls for £3m as profits rise 5%

McCORQUODALE AND CO., the security printing and engineering group, announced a 5.3 per cent increase in interim pre-tax profits to £2.38m and a one-for-four rights issue to raise £3.2m net.

The cash raised will replace bank overdraft used to finance the recent acquisition of Cox and Wyman, a paperback printer and binder, pay for new plant worth £300,000 and add to working capital.

The acquisition, costing a net £2m, was announced a month ago. Mr. John Wood, McCorquodale's chief executive, said it will not contribute much to 1978-79 profits because of the temporary financing costs, and a decision to change the new subsidiary's year end. This means only five months profits will be brought to account.

The issue price of the new shares is 105p and is payable in *full not later than July 13. It* has been underwritten by Kleinwort, Benson and the brokers are Hoare Govett.

The group is paying an interim dividend of 2.64p. *It has fore*cast a final of 4.66p on the increased capital which would lift the total payout by 15 per cent. The Treasury has confirmed that *if current dividend* control measures continue after July 31, the increase would be approved.

Stated earnings per share rose *from 10.38p to 12.89p.*

Commenting on the interim figures directors said that while pre-tax profits rose 5.3 per cent, the underlying performance was somewhat better. "Trading results of overseas subsidiaries have been converted at exchange rates ruling at the end of the relevant periods," they said. *This reduced profit before tax* for the half year by about £60,000.

• comment

McCorquodale has adopted the wise course of using the favourable climate for equity issues to trim its borrowings. Debt in the *1977-78 balance sheet totalled* £8.6m, against shareholders funds of £21.4m. The net £2m required to acquire Cox and Wyman would have lifted the debt/equity ratio to around 50 per cent, but the latest issue adds £3.2m to shareholders funds and gearing falls to 35 per cent. Because of the temporary financing costs. Cox and Wyman will not contribute much to the latest year's figures but, with some new plant and an injection of working capital its performance should pick up substantially. Elsewhere, McCorquodale's North American operations are still *loosing money*, albeit at a slower rate, and break even is not expected until next year. The outlook in the UK is not particularly bright but a slight increase on last year's £4.1m pre-tax can be expected. The shares dropped 7p to 123p, giving a prospective yield of 9.1 per cent.

BOARD MEETINGS

TODAY

Interims: T. Cowie, Dobson Park Industries, Elson and Robbins, James Finlay, Hickson and Welch, Morgan Crucible.

Finals: Airflow Streamlines, Brent Walker, Buckley's Brewery, Cullen's Stores, Cutler Guard Bridge, Doranakande Rubber Estates, Guthrie, Harrisons and Crosfield, Leigh Interests, 600 Group, WGI, Warren Plantations.

FUTURE DATES

Interims:—

Bertrams	June 12
Fenner (J. H.)	June 19
Trident Television	June 26

Finals:—

Baker Perkins	June 21
Barapara Tea	June 19
British Benzol Carbonising	June 12
British Cinematograph Theatres	June 14
Dom	June 14
Dorrington	June 14
Dundonian	June 11
Hill Samuel	June 12
Lloyd (F. H.)	June 20
Powell Duffryn	June 27
Rowton Hotels	June 8
United Spring and Steel	June 19
Youghal Carpets	June 8

Crosby House £0.85m loss

Crosby House Group has agained passed the preference dividend. With a group deficit of £847,567 in the profit and loss account for the year to December. The final was automatically passed last year. Now the interim *dividend for the current year* has been passed.

The annual meeting will be held on June 14 when it is expected that Mr. J. Keatley, the *chairman, will predict* a fairly rapid improvement in the company's fortunes despite the phasing out of the temporary employment subsidy which con*tributed £150,000 last year.*

The detailed figures for last year show that losses in the freight forwarding side were reduced from £297,000 to £196,000 and the warehousing division produced a nominal profit after losses of £60,000.

Losses on the general trading front doubled to £119,000 but that *business has now been largely* wound down, according to the directors. The container division is now making profits around £100,000 and a new *accounting system* has been introduced, the effects of which should become apparent in the figures for the six months to June, due to be published in *August.*

James Burrough over £3.3m

THOUGH AFFECTED by increas*ing material costs, the weak U.S.* dollar and the national transport strike, **James Burrough**, distillers of Beefeater Gin and Borzoi Vodka, lifted taxable profit by £0.23m to £3.35m in the year to February 28, 1979.

Sales, including duty, were helped by substantially higher turnover in the home market to reach £31.63m (£25.81m).

In spite of rises in prices, profit margins remain under pressure and it might be difficult to maintain the same profit level in the current year Mr. Alan Burrough, the chairman, warns.

A second net interim dividend of 3.35p raises the total to 4.624p (4.29p) per 25p share. The company has close status and its shares are traded in a market created by M. J. H. Nightingale and Co.

Eva finishes £1m lower

A FURTHER decline in the second half, with the surplus fall*ing from £1.56m to £0.95m,* left profits of Eva Industries down at £1.98m in the year to March 31, 1979, compared with £3.01m previously. Turnover stood at £28.09m, against £26.28m.

Mr. T. R. Astley, chairman, says the problems leading to profit reduction were almost totally confined to the agricultural tool division. This was also responsible for the lower first half surplus of £1.03m (£1.45m).

There has been a further severe drought in Thailand during the second half, the chairman says, but by securing export orders, the Thai company ended the year in profit.

He says the East African market temporarily *dried up* primarily because of the Ugandan war. Prospects in this market are now good, particularly with the provision of foreign aid.

Far East prospects are improving and negotiations are in progress for manufacture in Indonesia. After a difficult first half, the Brazilian company is now trading satisfactorily domestically and in its North American market.

After reviewing prospects, the chairman is confident in recommending the maximum permitted dividend—the net final of 3p per 25p share lifts the total to 5.4p (4.8p).

Tax took £629,000 (£787,000), of which £540,000 (£546,000) was applicable in the UK. Exchange losses totalled £315,000 against £187,000, and there was an extraordinary *debit of £23,000* last time.

Stated earnings are 12.3p (21.6p) before extraordinary items and exchange losses, and 9p (19.4p) after exchange losses.

	1978-79 £000	1977-78 £000
Sales	28,909	26,275
Profit before tax	1,982	3,012
Tax*	629	787
Net profit	1,353	2,225
Minorities	196	330
Attributable	1,157	1,895
Extraordinary debit	—	23
Exchange losses	315	187
Available	842	1,685

* UK £540,000 (£546,000), overseas £89,000 (£241,000).

• comment

EVA is pinning its sharp, if not entirely unexpected, shortfall on the East African agricultural tools market. Thailand suffered the effects of a second severe drought and thus the contribution from the import agricultural tools division crashed from £2.21m to £889,000. This year, the group can look forward to a more *stable political* environment in East Africa and might reasonably hope for less exceptional weather in South East Asia. Brazil has apparently recovered after a very difficult first half but, while a manufacturing license is under discussion in Indonesia, Eva is seeking to lessen its dependence on the periodic climatic and political storms of the Third World. The Stockfis acquisition, now the subject of litigation, has yet to prove the complete answer and the first *stage of this strategy may* well be a license to manufacture the Trantor, a transport and general purpose tractor, throughout the EEC. A radical shift in trading *emphasis might require* delicate negotiation with Anglo-Indonesian which holds a 20.83 per cent stake but the p/e of 10.1 on published earnings, down 4p yesterday to 94p, assumes that the pick-up by the traditional operating spheres should be reasonably swift. The maximum permitted dividend yields 8.8 *per cent.*

Carroll ahead to £2.7m

ON SALES ahead from £48.3m to £54.15m, Carroll Industries, the tobacco group, lifted taxable profits from £1.8m to £2.66m in the half year to March 31, 1979. Last year's surplus totalled £4.8m.

After tax of £380,000, against £511,000, the net profit is up from £1.29m to £2.28m. Stated earnings per 25p share are up from 5.3p to 9.5p.

The interim dividend is lifted from 2.148p net to 2.988p. Last year's total was 7.0965p. The directors propose a one-for-one scrip and intend to pay a final dividend on the increased capital of at least 13 per cent on the 25p shares.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
1st qtr.	107.0	102.2	99	106.4	246.4	1,409	188
2nd qtr.	110.8	104.5	96	107.9	254.4	1,367	213
3rd qtr.	111.5	105.2	103	110.7	266.6	1,380	213
4th qtr.	109.8	102.6	114	111.7	273.0	1,340	230
Dec.	111.2	103.6	113	113.8	279.8	1,321	231
1979							
1st qtr.	108.2	101.0		110.3	276.4	1,351	234
Jan.	102.6	93.0	89	109.6	273.1	1,339	236
Feb.	110.4	103.8	99	110.4	275.4	1,363	231
March	111.5	106.2		110.8	279.8	1,350	236
April				115.4	290.6	1,311	250
May						1,307	257

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); *housing starts* (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
1st qtr.	105.2	98.8	116.3	99.9	96.6	98.0	17.8
2nd qtr.	108.0	98.1	122.4	99.8	107.4	101.2	27.1
3rd qtr.	108.0	99.7	123.2	101.0	101.2	103.6	23.0
4th qtr.	105.5	96.9	123.3	96.8	97.6	101.7	20.2
Nov.	106.0	96.0	123.0	96.0	93.0	103.0	20.7
Dec.	106.0	98.0	126.0	99.0	102.0	101.0	15.8
1979							
1st qtr.	104.2	97.4	125.4	97.7	96.0	99.3	12.7
Jan.	99.0	91.0	117.0	91.0	77.0	95.0	10.1
Feb.	105.0	100.0	129.0	100.0	102.0	100.0	12.7
March	108.0	101.0	130.0	102.0	109.0	103.0	13.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
1st qtr.	119.6	113.8	−590	−361	−620	105.4	20.03
2nd qtr.	122.2	110.0	−173	+135	−414	104.5	16.75
3rd qtr.	124.9	114.4	−363	− 49	−501	105.7	16.55
4th qtr.	125.1	112.8	− 1	+359	−480	106.7	15.77
1979							
Jan.	113.1	107.3	−119	+ 1	− 60	107.7	16.28
Feb.	Not available due to industrial dispute:						16.62
March	figures now expected next week						17.45
April							†21.47
May							21.53

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
1st qtr.	34.2	23.8	17.5	+1,811	1,049	1,373	6½
2nd qtr.	10.1	15.0	24.5	+2,300	694	1,506	10
3rd qtr.	17.2	8.3	8.6	+ 591	746	1,541	10
4th qtr.	15.1	13.0	8.7	+1,875	878	1,576	12½
Dec.	15.1	13.0	8.7	+1,092	254	507	12½
1979							
1st qtr.	7.2	10.1	32.7	+1,621	777	1,586	13
Jan.	14.6	18.9	21.2	+ 801	289	525	12½
Feb.	17.6	20.6	34.1	+1,089	231	531	14
March	7.2	10.1	32.7	− 269	257	530	13
April	16.8	7.3	19.2	+ 814	343	572	12

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of *sterling (Dec. 1971=100).*

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
Dec.	138.0	148.3	158.3	204.2	210.5	257.69	63.2
1979							
1st qtr.	140.1	152.1	161.6	208.9	218.8	268.83	64.4
Jan.	135.7	150.8	160.0	207.2	217.5	260.63	63.3
Feb.	141.1	152.2	161.7	208.9	218.7	267.36	63.7
March	143.4	153.3	163.1	210.6	220.2	268.83	66.1
April		157.6	165.3	214.2	231.6	277.11	67.1

* Not seasonally adjusted. † Reserves: now revalued annually, new estimates.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London EC3V 3PB - Tel: 01-623 6314
Index Guide as at May 31, 1979
Capital Fixed Interest Portfolio 114.80
Income Fixed Interest Portfolio 105.00

armitage shanks

profits up 84%

Year to 31st March	1979	1978	
Turnover	£48,928,000	£42,309,000	+ 16%
Profit before tax	£4,552,000	£2,479,000	+ 84%
Profit after tax and minorities	£3,007,000	£1,333,000	+126%
Dividends per Share	5.20p	4.30p	+ 21%
Earnings per Share	14.37p	6.37p	+126%
Net Assets per Share	124.27p	69.99p	+ 78%

Full use was made of the spread of our manufacturing capabilities and each division improved on its performance of the previous year.

Our marketing strength which held up against the most severe competition both at home and abroad and our technical expertise will enable us to meet the challenges that lie ahead.

The freehold land and buildings have been professionally valued as at 31st March 1979 revealing a surplus of £9.8m over the previous book value. The Share Capital and Reserves increased from £14.6m to £26.0m.

In the light of the increase in Reserves the Board is proposing a Capitalisation Issue of one new ordinary share for every two shares presently held.

Kennedy Campbell, *Chairman.*

armitage shanks

BETTER BATHROOMS

Head Office:
Armitage Shanks Group Limited,
Armitage, Staffordshire.

Office and Electronic Machines
Limited and subsidiary companies

United Kingdom Distributors of Adler, Imperial and Triumph Typewriters, Calculators, and other Business Machines and Supplies.

Continued increase in Profits and Dividends

Results for 1978	1978	1977	1976
Turnover	£20,753,766	£17,603,682	£15,418,635
Profit after Tax	1,073,367	930,732	842,801
Shareholders Funds per Share	104.0p	87.0p	74.0p
Earnings per Share	17.5p	15.2p	13.8p
Dividend per Share	4.6p	4.1p	3.6p

Prospects for 1979
Useful increase in turnover so far.
General prospects are good.

Copies of the Report and Accounts may be obtained from
The Secretary,
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London SE1 1LH

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MINING NEWS

Metals Ex. buys Nepean mine

BY KENNETH MARSTON, MINING EDITOR

OTHER SURPRISE develop-
it involving Australia's Metals
loration comes with the news
the company is buying out
interest of its equal partner
he small Nepean nickel mine
Western Australia—America's
eport Minerals—for A$2.1m
1m).

order to finance the deal, als Ex. has placed 2.29m es at 87.5 cents (46.5p): the ent London cum-premium e is 63p. Our Sydney corres-dent reports that the ctors say that negotiations been "on and off" for ral years and were resumed recently.

ie Nepean move was xpected as Metals Ex. had this week seen a sizeable of its share capital come to with Mid-East Minerals. It owed market manouevres h had given the latter a 22.47 cent interest in Metals Ex. the expressed intention of ng this to 30 per cent in the re.

ie reason behind the Metals desire to fully control the ean property is not hard to In the latest six months to mber the small nickel opera-contributed earnings of nd $A400,000 on an output e of 1,338 tonnes.

ith the world nickel price roving and Metals Ex. now ng mining rights to nearby nant deposits at Redross and naway this mine will "con-ite substantially to the com-," as one director said.

will have to. The company's Greenvale mine in Queens-—once again partnered by port Minerals—continues to heavy losses. In the same nonths to December, Metals through its Queensland ating arm, lost A$7.05m.

e Metals Ex. board say that Nepean deal, together with urchase of additional mining s, has provided the company greater "flexibility with n to work and develop its ern Australian nickel min-operations and take fullest ntage of the considerably oved outlook for nickel."

...eck strong ... half-year

PROFITS from operations anada's Teck Corporation soared to C$4.9m (£2m), or nts per share, in the six is to March 31. They were ,000, or 10 cents, per share same period of a year ago, s John Soganich from to.

owns or controls a mix of mines. Production in the latest half-year was 50,000 ounces gold, 516,000 ounces silver, 25.3m pounds copper, 48m pounds zinc and 2.6m pounds niobium oxide. The petroleum division accounted for 505,000 barrels of oil and 2bn cubic feet of natural gas.

By the end of next year Molybdenum will be added to the product line as the C$150m Highmount project in the Highland Valley of British Columbia gets on stream. Annual output of this mine is expected to be 45m pounds copper and 4.5m pounds moly, with higher moly output in the first two years.

Buffels pays 120c

THE South African gold mines' June dividend season is getting under way with a flourish. Best expectations are matched by the General Mining group's Buffelsfontein with a final dividend of 120 cents (68p) which makes a year's total of 200 cents compared with 170 cents for 1977-78.

It follows an outstanding final of 290 cents (165p) declared by the Anglo-Vaal group's Hartebeest which brings the latter's total for the year to 400 cents against 250 cents for the previous 12 months. Another striking payment is a much better than expected interim of 30 cents (17p) declared by the antimony-producing Consolidated Murchison which paid no dividend for 1978.

Less exciting is the interim of 7½ cents (4.3p) declared by the marginal gold producer West Rand Consolidated which is also a major producer of uranium. Also marginal as regards gold, but with important uranium prospects, Stilfontein is paying an interim of only 35 cents (20p) which goes against market expectations of up to 60 cents.

Even so, the payment compares with only 16 cents a year ago and the subsequent final of 50 cents. Meanwhile, Stilfontein should see sharply rising earnings in the rest of this year in view of the higher gold prices, which particularly benefit marginal producers, and the start up of the uranium plant in the third quarter.

GOLD AND BASE METAL MINES—Output of concentrates (73 per cent grade) for April: tin 28 tonnes, columbite nil. Four months ended April 30, 1979: tin 102 tonnes, columbite 1 tonne. Four months ended April 30, 1978: tin 100 tonnes, columbite 1 tonne.

KINTA KELLAS TIN—Output of tin-ore for April: 31 tonnes (March: 23½ tonnes).

UK COMPANY NEWS

Associates fall hits Pegler

FULL-YEAR PROFITS of Pegler Hattersley are in line with the board's prediction that the surplus would be similar to the previous year's.

With associated profits falling from £6.53m to £4.5m, the profit after interest comes out at £13.69m, compared with £13.18m.

But after a metal stock appreciation of £520,000, against a £600,000 depreciation, the taxable surplus rises from £12.58m to £14.21m. Sales for the period rose from £86.83m to £95.85m.

At half time the pre-tax profit was static at £5.4m.

After tax of £5.08m (£4.91m) the net profit is up from £7.67m to £9.13m and stated earnings per 25p share are ahead 5p to 31.1p.

The net final dividend of 5.031p lifts the total from 7.685p to 8.561p.

The group makes and sells industrial valves, building products and general engineering products.

	1979 £000	1978 £000
Sales	95,845	86,825
Trading profit	9,330	6,757
Associated profits	4,496	6,530
Interest charge	136	106
Profit excl. metal stock adjustment	13,690	13,181
Est. metal stk. apprec.	520	†600
Profit before tax	14,218	12,581
Tax	5,088	4,912
Profit after tax	9,130	7,669
Dividends	2,521	2,256
Retained	6,609	5,413

† Depreciation.

● comment

Despite a sharp downturn in associate income, Pegler Hattersley has met the interim forecast of broadly unchanged profits if the £1.1m positive turnround on metal stock depreciation account is ignored. The McEvoy associate, whose contribution probably slumped from £3.9m to around £2.5m, was always bound to disappoint and it would be unwise to expect much discernible improvement until the full brunt of the energy crisis works through to a renewed exploration initiative on marginal fields. Again, it is difficult to predict very much more than a same-again £2m profit contribution from the valve division, worth about £40m to turnover, so a swift recovery to the 1977-78 peak of £18.2m pre-tax depends largely on the residual level of growth potential in the building products division. With a contribution which may even have doubled to about £5m, building products supplied the impetus for the overall 38 per cent rise at the trading profit level, but a further substantial advance is asking rather a lot of the house construction and improvement market this year. The shares climbed 8p to 168p yesterday but a p/e of 5.2 on published earnings looks prepared to wait perhaps two years before recovery is accomplished, although the well-covered dividend yields 7.9 per cent at this level and there may be something more once restraints are lifted.

Mountview expands to £1.2m

ON TURNOVER little changed at £2,106,139 against £2,091,441, Mountview Estates, property dealing and investment group, expanded taxable profits from £957,734 to £1,211,888 for the year ended March 31, 1979.

The directors report that the company has taken advantage of the increased activity in the market for tenanted residential property to increase its stocks, with the consequence that it has again made use of part of the facility available from its bankers.

From earnings of 11.64p (9.19p) per 5p share, the net dividend total is raised by some 13 per cent from 1.3235p to 1.5p, with a 1p final — under present dividend legislation the company would expect to obtain Treasury consent on account of its record level of cover.

Tax took £629,709 (£497,996) and dividends absorbed £73,000 (£66,175). After a surplus of £18,346 last time on liquidation of a subsidiary and a transfer of £2,000 (£20,346) to reserve, retained surplus emerged at £504,979 compared with £391,563.

TRUST HOUSES

The change in the parent company name agreed by shareholders at Trust House Forte's annual meeting in April has been formally approved by the Department of Trade. The company will now be known as Trusthouse Forte.

GRE less confident

Mr. J. E. H. Collins, chairman of Guardian Royal Exchange Assurances was less confident of the group achieving higher profits this year following the poor experience in the first quarter. The severe weather at the beginning of the year in the UK and in Europe had resulted in heavier losses than occurred in the first quarter of 1978. The number of motor claims in the UK were 20 per cent higher, while there were three times the number of burst pipe claims compared with last year.

Nevertheless, he still hoped that the growth in investment income together with the effect of the rate increases made or about to be introduced would overcome the poor start to the year and lead to improved overall profits, even though this would be harder to achieve. But this forecast was made provided that there were no further setbacks arising before the year end.

Advance by Fredk. H. Burgess

PROFITS BEFORE tax of Fredk. H. Burgess, the unquoted agricultural engineering group, advanced from £3,404,749 to £3,886,005 for 1978. Sales fell £350,000 to £82.74m, although the 1977 figure included a first contribution from Bamfords of 15 months.

Trading profits rose from £5,712,144 to £6,282,239 before depreciation of £987,130 (£827,716) and interest of £1,275,341 (£1,336,527).

Divisional contributions to turnover and trading profits were: farm machinery £67,644,675 and £5,718,401; fuel oil £8,190,301 and £201,749; and building materials £6,901,049 and £362,089 respectively.

Tax charge was higher at £847,691, against £318,745, leaving net profits down slightly from £3,086,004 to £3,018,314.

Minority interests were £350,224 (£423,702). Preference dividend absorbs £265,478 this time and ordinary payments increased from £55,860 to £63,000.

T. Harrison sees record performance

A MATERIAL increase in pre-tax profits for the first four months of the current year was reported by Mr. T. C. Harrison, chairman of T. C. Harrison, at the annual meeting. He was confident the group would again achieve record results in 1979.

The Sheffield-based car, commercial vehicle, agricultural and earthmoving equipment concern turned in a best-ever surplus of £3.05m in 1978.

Mr. Harrison said that, during January and February, the group was still feeling the effects of the Ford strike and the transport dispute completely stopped vehicle supplies.

Better year expected for James Neill

AFTER FIVE months' trading, current year results of James Neill Holdings were expected to be better than last year's, said Mr. J. H. Neill, the chairman, at the annual meeting.

For 1978, pre-tax profits of the toolmaking and general engineering group were down from £3.73m to £2.02m.

Sales of the group's UK companies in the first five months of this year were up by 15 per cent (home sales by 21 per cent and exports by 5 per cent) and profits were also showing improvement, the chairman reported.

Last year the group spent £3m on plant and machinery and Mr. Neill expected it to spend no less in 1979.

Armitage Shanks profit on target at £4.55m

PRE-TAX profits up 83.6 per cent to £4.55m are reported by the Armitage Shanks Group for the year ended March 31, 1979 and have met the forecast made in February at the time of the proposed merger with Johnson-Richards Tiles.

Turnover of the group, maker of plumbing fixtures and fittings, advanced 15.6 per cent to £48.93m.

Earnings per share before exchange differences are stated as 14.37p against 6.37p and a final dividend of 3.19p lifts the total from 4.3p to 5.2p.

In view of an increase in reserves, the directors are also proposing a one-for-two scrip issue.

Each division, both in the UK and overseas, contributed to the substantially improved result, the directors say.

In the light of anticipated continuing inflation in the value of stocks, the board has considered it prudent to assume that all the ACT on 1978/79 dividends will not be recoverable in the near future.

	Year 1978-79 £000	1977-78 £000
Turnover	48,928	42,309
Profit	5,061	2,979
Interest	509	500
Profit before tax	4,552	2,479
Tax	1,361	1,030
Net profit	3,191	1,449
Minorities	164	116
Exchange differences	96	43
Extraordinary credit	107	*2
Dividends	1,088	800
Retained	1,716	392

* Debit.

Freehold land and buildings owned by the group have been professionally valued as at March 31, 1979 and reveals a surplus of £9.8m over book value which will be incorporated in the accounts. The share capital and reserves increased from £14.6m to £26m.

● comment

An impressive rise in pre-tax earnings at Armitage-Shanks was in line with the £4.5m forecast made by the group at the time of the abortive Johnson-Richards merger in January. The 10p share price rise to 89p can therefore be best explained by the surprising 21 per cent dividend increase. Taken together with the one-for-two scrip issue and the property revaluation, it suggests a strategy of bid defence. Whether the group will look so attractive to a potential suitor at the end of the year is an open question. The buoyancy of the public and private sector replacement market was the key to last year's success, but it is doubtful whether the improvement in earnings and margins can be sustained this year. At the same time, the elimination of the Nigerian and Iranian markets will intensify UK competition, though Armitage is finding some foreign compensation in Malaysia and South Africa. Apart from ceramics, which contributed 40 per cent of UK turnover last year, reorganisation of other sectors now appears to be paying off. All in all, the group will do well to make £5m pre-tax this year. It is still a prey to cyclical trends and, on a fully taxed basis, the dividend is covered only 1.7 times. Despite yesterday's excellent results, therefore, the shares are probably not too cheap on an unexciting stated of six on published earnings (rising to 10 fully taxed) and a yield of 9 per cent.

Small rise for Carr's Milling

FOLLOWING LAST December's indication that the current year had started well, Carr's Milling Industries reports pre-tax profits for the 26 weeks to March 3, 1979, ahead by £19,000 to £475,000, on external sales £4.68m higher at £16.6m.

Although the group's bakeries are profitable and its agricultural interests buoyant and making good progress, continuing severe losses by Society Fare and sharply reduced margins on flour have affected the half-year result. The directors say this makes it difficult for them to forecast the full year outcome.

After a 52 per cent half-yearly tax charge of £247,000 (£237,000), net profits for the period were up by £9,000 to £228,000. But having regard to capital allowances and various reliefs available to the group, the directors say it appears unlikely that the rate of tax charge for the current year will approach this figure.

The net interim dividend is 1p per 25p share against 0.8p, absorbing £50,000, and the directors intend to recommend a final payment in the light of any legislation that may be in force at the time—last year's final was 1.96p.

Interim 79

THOS. W. WARD LIMITED

RESULTS FOR THE HALF YEAR ENDED 31st MARCH 1979 (UNAUDITED)

- TRADING PROFIT UP BY 19%
- PROFIT BEFORE TAX UP BY 32%
- BASIC EARNINGS PER SHARE UP FROM 4·6p TO 5·6p

	1979 £'000	1978 £'000
Turnover	117,835	106,722
Trading profit		
Iron and steel	2,242	874
Construction (associated companies £1,850,000 1978 – £1,683,000 (consolidated 6 months in arrears))	2,785	3,320
Engineering	664	280
Motor vehicle distribution	1,007	1,018
Industrial services	628	676
	7,326	6,168
Interest	1,159	1,482
Profit before taxation	6,167	4,686
Taxation	3,236	3,322
Earnings	2,931	2,364
Add extraordinary items	33	996
	2,964	3,360
Dividend	1,091	856
Profit retained	1,873	2,504
Basic earnings per share	5.6p	4.6p
Interim dividend per ordinary share (gross)	3.1p	2.5p

Registered Office: Thos. W. Ward Ltd., Albion Works, Savile St., Sheffield S4 7UL

All of these securities having been sold, this advertisement appears as a matter of record only.

NEW ISSUE

$50,000,000

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ABD Securities Corporation — Atlantic Capital Corporation — Basle Securities Corporation
Daiwa Securities America Inc. — EuroPartners Securities Corporation — Robert Fleming Incorporated
Kleinwort, Benson Incorporated — New Court Securities Corporation — The Nikko Securities Co. International, Inc.
Nomura Securities International, Inc. — Scandinavian Securities Corporation
Yamaichi International (America), Inc.

June, 1979

COMPANY NOTICE

General Mining Group

DIVIDEND DECLARATIONS

NOTICE IS HEREBY GIVEN that dividends have been declared by the undermentioned companies, payable to shareholders registered at the close of business on 22nd June 1979. The registers of members of the companies will be closed from 23rd June 1979 to 6th July 1979 both days inclusive.

No instructions involving a change of the office of payment will be accepted after the last day to register.

The dividends are declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on the undermentioned currency conversion dates or the first day thereafter on which a rate of exchange is obtainable.

Non-resident shareholders tax of 15% will be deducted from dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

Payment will be made by the transfer secretaries mentioned below.

The full conditions of payment may be inspected at or obtained from the London office of the companies or the offices of the transfer secretaries.

All companies mentioned are incorporated in the Republic of South Africa.

Dividends on shares included in share warrants to bearer of West Rand Consolidated Mines Limited, will be paid in terms of a notice to be published later.

DIVIDENDS

Name of Company	Dividend No.	Per share cents	Posting date	Currency Conversion date	Description	Total Dividend for the year cents
...ffelsfontein Gold Mining Company Limited	44	120	9.8.79	30.7.79	Final	200
...ilfontein Gold Mining Company Limited	50	35	9.8.79	30.7.79	Interim	—
...est Rand Consolidated Mines Limited						
—Ordinary Shares	96	7½	9.8.79	30.7.79	Interim	—
—Deferred Shares	67	425	9.8.79	30.7.79	Interim	—
...e Griqualand Exploration & Finance Company Limited	56	20	23.8.79	13.8.79	Interim	—
...ntrust Limited	26	24	23.8.79	13.8.79	Final	36
...ans-Natal Coal Corporation Limited	33	14	23.8.79	13.8.79	Final	24
...e Clydesdale (Tvl) Collieries Limited —Ordinary Stock	[illegible]	18	23.8.79	13.8.79	Final	26

As the amount and phasing of capital expenditure on Matla Colliery is now more definite, it has become possible to increase the percentage of earnings declared by Clydesdale as dividends. Unless there are unforeseen developments the total distribution of 26 cents per share for the current year should at least be maintained in the coming year. An adjustment to reduce the differential between the interim and final dividends will be made in December 1979.

London Office: ...nces House, ... Gresham Street, London EC2V 7EN.

Transfer Secretaries: Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

By order of the Boards
GENERAL MINING AND FINANCE CORPORATION LIMITED
London Secretaries
per L. W. Humphries

6th June 1979

ENSO-GUTZEIT OSAKEYHTIO

8% 1973/1988 FF 100,000,000

...tice is hereby given to bondholders of the above loan ...t the amount redeemable on July 16th, 1979, i.e. FF 4,000,000 ...s bought in the market.

...ount outstanding: FF 86,000,000.

THE FISCAL AGENT
KREDIETBANK S.A.
Luxembourgeoise

...xembourg, June 7, 1979

...UBLIC NOTICES

...ULL METROPOLITAN BOROUGH

...000 Bills due on 5th September were offered on 6th June 1979 and allocated at a rate of 11 ...%. ...tions totalled £28,000,000. These ...e only Bills outstanding.

FIFE REGIONAL COUNCIL BILLS

...000 Bills issued 6.6.79 maturing ... 11 ...%. Applications totalled ...0,000 and there are £4,000,000 outstanding.

...ATHCLYDE REGIONAL COUNCIL BILLS

...000 Bills issued 6.6.79 maturing ... 11 ...%. Applications totalled ...0,000 and there are £24,000,000 outstanding.

...SLEY METROPOLITAN BOROUGH COUNCIL BILLS

...000 Bills issued 6.6.79 maturing ... 11 ...%. Applications totalled ...000 and there are £2,500,000 outstanding.

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 6176. Exhibition of OLD MASTER PAINTINGS. Until 27 July. Mon.-Fri. 9.30-5.30. Thurs. until 7.

CRANE KALMAN GALLERY, 178, Brompton Rd., S.W.3. 01-584 7566. MODERN BRITISH, EUROPEAN AND AMERICAN PAINTINGS AND SCULPTURE. Mon.-Fri. 10-6. Sat. 10-4.

FINE ART SOCIETY, 148, New Bond St., W.1. 01-629 5116. THE RE-DISCOVERY OF GREECE and HENRY & HORNEL in Japan 1893.

GALERIE GEORGE, 96-98, George Street, W.1. 01-935 3322. Fine 19th and 20th Century British & European oil paintings, watercolours and graphics at keen trade prices. £100-£2,000. Mon.-Fri. 10-6.

HAMILTONS, 13 Carlos Place, Nr. Grosvenor Sq., W.1. 499 9493-4. Important exhibition of the French late impressionist painter Marcel Vertes including oils, watercolours, drawings and lithographs.

LEGAL NOTICES

THE COMPANIES ACT, 1948

In the Matter of TWEEDTOWN LIMITED, High Court of Justice No. 00690 of 1979. Garages, Haulage Transport and Coin-operated Laundries. Winding-up Order made 2 April 1979. Date and place of Meeting: 19 June 1979. Creditors 11.30 a.m., Contributories 12 Noon; both at The Official Receiver's Office, Petros House, St. Andrews Road North, St. Annes-on-Sea.

J. M. CHRISTENSEN,
Deputy Official Receiver and Provisional Liquidator.

THE COMPANIES ACT, 1948

In the Matter of R. A. D. SHIPPING SERVICES LIMITED, Shipping Agents. Winding-up Order made 30th April 1979. Date and place of first meetings: Creditors 20th June 1979, at Room 239, Templar House, 81 High Holborn, London WC1V 6LP at 11.00 o'clock; contributories on the same day and at the same place at 11.30 o'clock.

L. R. BATES,
Official Receiver and Provisional Liquidator.

THE COMPANIES ACT, 1948

In the Matter of M. GRANT LIMITED, Tobacconists. Winding-up Order made 30th April 1979. Date and place of first meetings: Creditors 20th June 1979, at Room G20, Atlantic House, Holborn Viaduct, London EC1N 2HD at 10.00 o'clock. Contributories on the same day and at the same place at 10.30 o'clock.

H. W. J. CHRISTMAS,
Official Receiver and Provisional Liquidator.

ART GALLERIES

JPL FINE ARTS, 24, Davies St., London, W.1. 01-493 2630. PIERRE BONNARD DRAWINGS. May 29-July 5. Mon.-Fri. 10-6.

LEFEVRE GALLERY. CONTEMPORARY PAINTINGS. Weekdays 10-5. Sats. 10-1. At 30, Bruton Street, London, W.1. Tel. 01-493 1572.

MORTON MORRIS & CO. (in association with J. L. W. Bird), 32, Bury Street, St. James's, London, S.W.1. 01-930 2828. Exhibition of 19th century watercolours of the WEST INDIES until 22nd June. Weekdays 10.00-6.00. Sat. 10:00-1.00.

MALL GALLERIES, The Mall, S.W.1. Society of Graphic Artists. Mon.-Fri. 10-5. Sats. 10-1. Until June 15. Adm. 20p.

MARLBOROUGH, 6, Albemarle St., W.1. SIDNEY NOLAN Selected works and new graphics. Mon.-Fri. 10-5.30. Sat. 10-12.30.

OMELL GALLERIES, 40, Albemarle St., Piccadilly, W.1. New selection of fine modern French paintings, including Blanchard, Cherlous, Deschamps, Dellis, Grosor, Herve, Jacon, Pesser, Robin, etc., and fine modern British marine paintings and watercolours.

THACKERAY GALLERY, 18, Thackeray St., Kensington Sq., W.8. 01-937 5883. LESLIE PROTHERO. Until 15 June.

OMELL GALLERIES, 22 Bury Street, St. James's, S.W.1. 19th CENTURY ENGLISH AND CONTINENTAL OIL PAINTINGS. Our current stock comprises over five hundred selected works with prices from £400 to £2,000. For further details phone 01-839 4274-5.

LUMLEY CAZALET, 24 Davies St., W.1. 01-499 5058. AKIRA KUROSAKI—Recent Woodcuts. Until 27 July.

DONALD HAMILTON FRASER New Paintings. GORDON BALDWIN New Ceramics until 14 June at Bohun Gallery, Station Road, Henley on Thames. 04912 6228.

EXHIBITIONS

GROSVENOR HOUSE ANTIQUES FAIR, Park Lane, W.1. 13 June, 5.00 p.m. to 10.00 p.m. 14-23 June 11 a.m. to 7.30 p.m. Closed Sunday. Admission £2.00 including illustrated handbook.

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LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of LOCAL AUTHORITY BONDS on offer to the public

For advertisement details please ring S. Cooper 01-248 8000, Extn. 7008

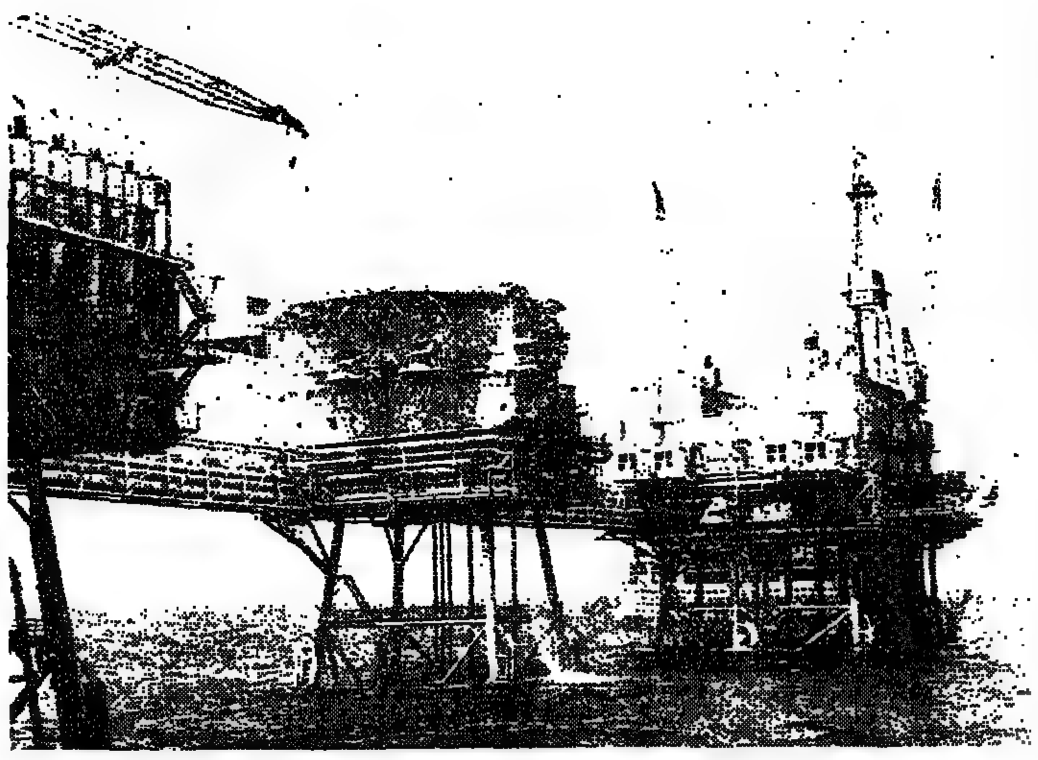
Norway's petrochemical problems

BY FAY GJESTER in Oslo

TWO OF Norway's long-established industrial groups, Norsk Hydro and Borregaard, and two of its recently created oil companies, Statoil and Saga, are involved in the ambitious new petrochemical complex which has just been completed at Rafnes in the eastern part of the country.

The £500m complex, based on low-priced feedstock from the Ekofisk field in Norway's part of the North Sea, was regarded as a potential goldmine when it was planned, in 1974. The world's petrochemical industry was working at full capacity, and prices were high. Since then, a number of negative developments have hit both the industry in general and the Rafnes project in particular. None of the four partners in the undertaking expects to see much profit on this investment until the mid-1980s, if then. Plans for further Norwegian expansion in petrochemicals, based on feedstock from the giant Anglo-Norwegian Statfjord field, have been quietly shelved.

Recently the explosion of feedstock prices, particularly the price of naphtha, has led to speculation that European producers will have to increase their product prices, despite the industry's chronic over-capacity. If this happens to any significant extent it will improve the competitive position of the Rafnes complex.



Production platform forming part of the central complex at Phillips Ekofisk field

Naphtha is the main feedstock for Norway's competitors, but Rafnes uses cut-price natural gas liquids (NGL) from Ekofisk, supplied by the companies developing the field under a 15-year agreement with the Norwegian state. Deliveries of this cheap feedstock have at last begun to reach the plant, after a two-year delay caused by hold-ups in building the separation plant at Teesside. The delay in deliveries of the NGL is one of several misfortunes Rafnes has suffered. It meant that initial production had to be based on high priced raw materials bought on the open market. Although Ekofisk operators Phillips Petroleum agreed to pay some compensation for this, the sum involved is understood to be less than what the Rafnes partners have lost through the hold-up.

Even a substantial rise in product prices would leave the Norwegians with a lot of handicaps to overcome. An important one is the extremely high cost of the Rafnes facilities. They have turned out to be far more expensive than was expected when the decision to build was taken in 1974, and more expensive than similar plants in other parts of the world.

Another handicap the Norwegians will face is an increasing trend towards protectionism within the EEC. This is a direct result of the overcapacity in the petrochemical industry worldwide and the growing competition from low cost producers, particularly in the Arab countries and Eastern Europe. The European majors are very worried about losing market shares. So far, they have not pressed their governments to raise tariff barriers. On the contrary, these have been gradually lowered. But the majors have been integrating vertically, buying outlets for their products in the plastics industry. This naturally reduces the "free" market for these products.

Norsk Hydro was pursuing the same strategy when it acquired a 50 per cent stake, last October, in the UK polyvinylchloride (PVC) producer Vinatex. Vinatex has an annual capacity of 60,000 tonnes of PVC and 25,000 tonnes of PVC compound, and is thus a large user of vinyl chloride monomer (VCM), Norsk Hydro's most important product from Rafnes.

The central element of the Rafnes complex is its cracking plant, designed to transform Ekofisk NGL into 300,000 tonnes of ethylene and 70,000 tonnes of propylene per year. This unit, which came on stream in August 1977, provides the raw material basis for the rest of the complex, which comprises a plant making chlorine (capacity—120,000 tonnes per year) and caustic soda (130,000 tonnes), and one making VCM (300,000 tonnes per year).

Two kilometres to the south, at Ronningen, are the related polyolefin facilities. They make polypropylene (60,000 tonnes per year) and high and low density polyethylene (50,000 and 110,000 tonnes per year, respectively).

Ownership interests are split up as follows: Cracker—Norsk Hydro 51 per cent, Statoil 33 per cent, and Saga Petrokjemi (petrochemicals offshoot of Saga Petroleum) 16 per cent; Chlorine-Caustic Soda Plant—Norsk Hydro 50 per cent, Borregaard 50 per cent; VCM Plant—Norsk Hydro 100 per cent; Polyolefins — Norsk Hydro, Statoil and Saga Petrokjemi one-third each. Operator responsibility for the cracker and Chlorine-caustic sola plants is Norsk Hydro's, while Saga Petrokjemi runs the polyolefin plants at Ronningen.

The site for the Rafnes complex was chosen because of its proximity to Norsk Hydro's largest industrial plant, Porsgrunn Works, at Heroya in Telemark. It lies only 3 km from Porsgrunn, on the opposite side of the Frier Fjord. The two facilities are linked by a 3,600 metre tunnel under the fjord, containing pipelines for the transport of products. Some of the VCM from Rafnes is used, for instance, to make PVC at Porsgrunn.

A fact which no one considered when the choice was made was the transport hazard involved. Rafnes, which lies deep inside a long and winding fjord, is dependent for its operation on water-borne supplies of cargoes which are both explosive and poisonous. The fjord is one of the most difficult in Norway to navigate, with several narrows and strong currents. Since the petrochemical plants came on stream, hazardous cargo traffic has increased considerably. There have been several incidents of tanker groundings or near misses, but so far without serious consequences.

The closest shave came last January, when the British gas tanker Humboldt, carrying 3,300 tonnes of propane to Rafnes, actually holed during a grounding. The ship's steering gear had been put out of action by an electrical failure. Currents carried it past a reef, which ripped a 3-metre-long gap in its bows.

The mishap was a severe shock for local people. Some of them began to doubt a statistical analysis (carried out by Det norske Veritas) which concluded that a person living in the neighbourhood was as likely to be killed by a thunderbolt as by gas from a tanker accident in the fjord.

The Norwich way is knowing what makes the wheels go round.

This massive truck, towering above its driver, is one of a fleet of eighteen working round the clock for Derek Crouch Limited.

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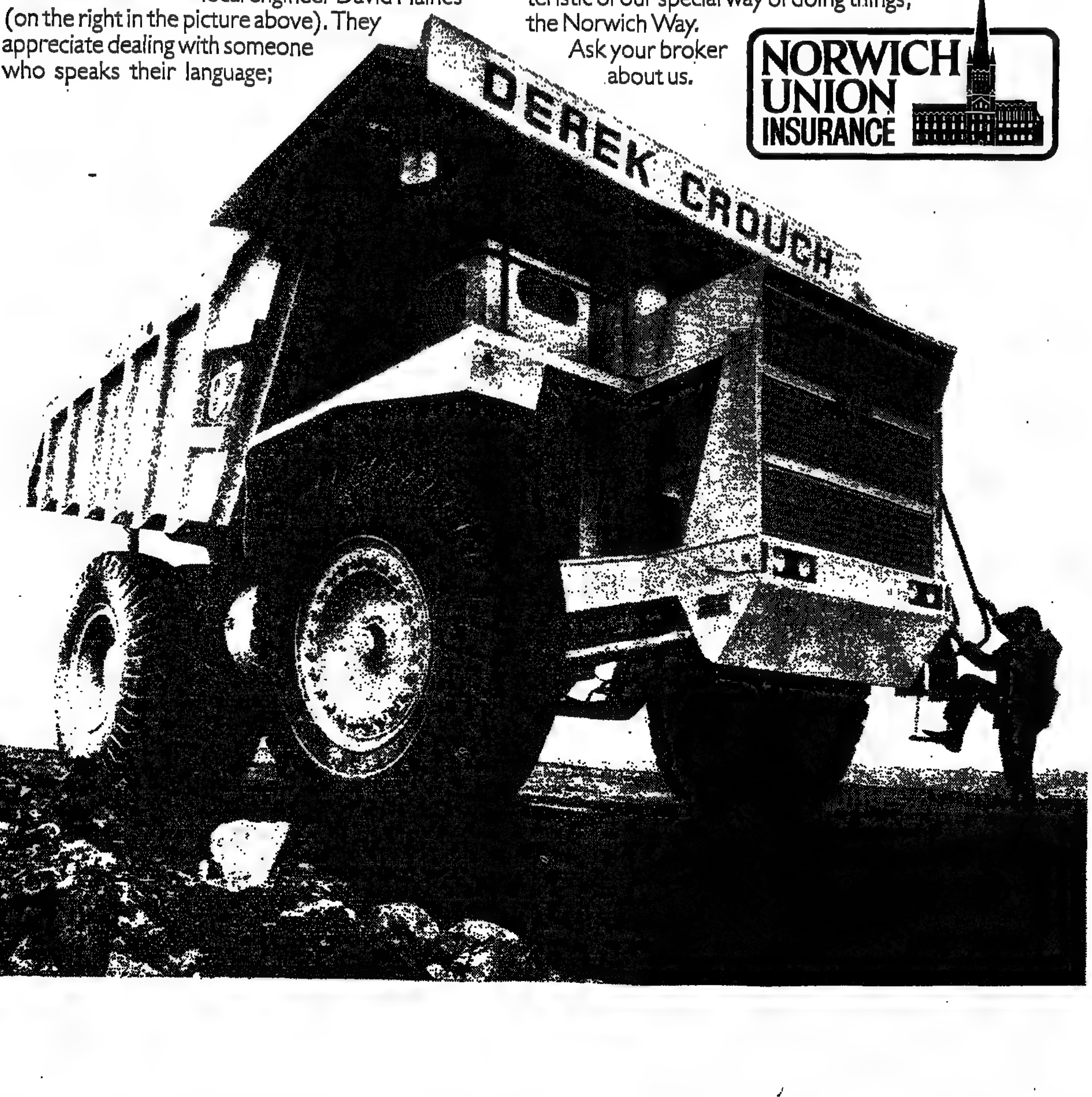
NORWICH UNION INSURANCE



CARR'S MILLING INDUSTRIES LTD

Interim Statement

	26 weeks to 3rd March, 1979 £	26 weeks to 4th March, 1978 £	52 weeks to 2nd Sept., 1978 £
Sales	18,216,000	13,137,000	28,912,000
Less inter-company sales of products for re-processing	1,614,000	1,214,000	2,815,000
Sales to External Customers	16,602,000	11,923,000	26,097,000
Profit before Taxation	475,000	456,000	932,000
Estimated Taxation	247,000	237,000	257,000
Profit after Taxation	228,000	219,000	675,000
Net Profit Attributable to the Group	228,000	219,000	674,000

The figures for the 26 weeks to the 3rd March, 1979 (and for the comparable period of the previous year) are unaudited and show estimated taxation at 52% of the profit for comparative purposes only. Having regard to the Capital Allowances and various reliefs available to Group companies it appears unlikely that the rate of charge for tax for the current financial year will approach this figure.

In my Review of 1978 I indicated that the current financial year had started well and the results for the first half year are ahead of those for the comparable period of last year. The Group's bakeries are profitable and our agricultural interests buoyant and making good progress. However, continuing severe losses by Society Fare Ltd. and sharply reduced margins on flour have affected the result for the first 26 weeks and make it difficult to forecast Group results for the year.

The Directors have declared an Interim Dividend on the Ordinary Share Capital of the Company for the year ending 1st September, 1979 of 1.00p per share (Interim Dividend 1978 0.96p per share). The Dividend declared will absorb £50,000 of the profit and will be paid on 2nd July, 1979 to those registered as shareholders on 22nd June, 1979.

When the results for the year are announced the Directors will recommend the payment of a Final Dividend in the light of any legislation that may be in force at that time.

Carlisle, 7th June, 1979. *Ian C. Carr (Chairman)*

Cater Ryder

1816

From the Annual Report and Statement of the Chairman, Mr. E. D. D. Ryder

- Net profit of £1,514,832 after transfer to Inner Reserves.
- Inner Reserves stand at a new record level.
- £500,000 transferred to Published Reserve.
- Dividend increased by the maximum *permitted*.

Financial Highlights

		1979 £	1978 £
Issued Capital —	Preference	1,685,000	1,685,000
	Ordinary	4,324,571	3,784,000
	Reserve	3,500,000	3,000,000
	Profit & Loss Balance	1,605,355	1,474,548
	Proposed Bonus Issue	—	540,571
Shareholders Interest		11,114,926	10,484,119
Total Assets		423,530,521	433,799,890
Total Assets ÷ Shareholders Interest		38.10	41.4
Profit		1,514,832	1,731,918
Dividends		884,025	797,700

Cater Ryder & Company Limited
1, King William Street, London EC4N 7AU
Telephone: 01-623 2070

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published in an eight-page format on the following dates in the remainder of 1979:

July	9
August	13
September	10
October	15
November	12
December	10

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مكتبة الاصل

هكذا من الأصل

BIDS and DEALS

Hawthorn Leslie to receive total of £1.48m compensation

and W. Hawthorn Leslie, e company whose marine gineering interests were tionalised in 1977, announced at final compensation terms ve been agreed with the vernment.

Following lengthy talks with e Department of Industry, awthorn Leslie is to receive tal compensation of £1.48m, of hich £550,000 has already been id. The balance of £925,000 will paid shortly in Government ck.

Hawthorn Leslie also revealed at it has agreed to buy two prite companies under common nership for a maximum of 54,076, the company's first quisition since nationalisation.

the same time the group rerted interim profits for the lf year to December 31 1978 ghtly up at £101,370 (£98,055). Mr. K. J. Chapman, a director Hawthorn Leslie, last night lcomed the compensation tlement as "better than pected." The final total "was ich nearer to our figure than eirs," he added.

The two new businesses quired are Jedmond Engineers d Flash Fasteners, whose ivities include light metal esswork, pressure diecasting d metal finishing.

The benefits of recent investnt were evident in their last ar's results but Hawthorn slie plans to make further nds available "to sustain conued growth."

Combined taxable profits of dmond and Flash for the year the end of January 1979 were 50,203 (£103,962) on turnover £2.2m (£1.8m).

Profits of Hawthorn Leslie for e six months to last December clude £118,776 from the parent mpany, a £34,130 loss by the trading subsidiary Servodyne Controls, and minorities of £16,724. Tax is £23,546 (£24,538) and there is an extraordinary item of £994,110 relating to the agreed compensation payment, leaving net profits of £1.067m (£0.224m).

The net interim dividend is 1.25p and the directors intend to pay a final dividend for the year of 2p net per share.

AURORA OFFER REJECTED: DEALINGS TO BE INVESTIGATED

The Board of Edgar Allen Balfour has totally rejected the £13.8m offer from Aurora Holdings as "not in the interest of shareholders or employees."

At the same time it has asked the stock exchange for an investigation into the dealings in Balfour's shares on Monday morning when Panmure Gordon, as Aurora's broker, picked up some 25 per cent of the equity. The stock exchange has agreed to conduct an initial investigation.

Balfour's Board had sought a meeting with Aurora to clarify the "important issue" of the rationalisation Aurora intends to carry out in the special steels division if the merger takes place.

Aurora insisted on a full meeting with both parties' financial advisers present but Balfour refused to agree to such a detailed meeting.

GALLIFORD'S £0.9M ACQUISITION

Galliford Brindley has purchased A. P. W. Construction (Holdings) for £945,750. The consideration is to be satisfied by £555,750 cash from Galliford's own resources and the issue of 600,000 ordinary shares. In addition, Galliford has purchased the freehold of the Tipton properties, together with certain leasehold interests, for £35,000 cash.

Net assets of APW at June 30, 1978, amounted to £866,032 (after providing for deferred tax of £278,510). Pre-tax profits for the year ended on that date amounted to £131,844. APW is a construction and property company based in Worcester.

PILKINGTON BUYS MICRO-MILLING

Pilkington Brothers has acquired Micro-Milling for £500,000, satisfied by the issue of 131,193 ordinary shares.

MM specialises in high precision boron grinding and has acted as Pilkington's supplier of finely ground boron for use in fibreglass reinforcement. At February 28 the net assets amounted to £301,000.

MEGGITT

Meggitt Holdings announces that agreement has been reached for the purchase of the freehold 16,500 square foot leasehold factory at Dominion Road, Bournemouth, presently used as a machine shop by Meggitt Engineering.

The consideration is £165,000 cash. The purchase will be financed from existing bank facilities.

Eurocanadian chief attacks FW board

The current net asset value of Furness Withy shares is well above £7, according to Mr. Frank Narby, chief executive of Eurocanadian Shipholdings, which owns 10 per cent of the company. The Furness shares closed 3p up at 284p yesterday.

Mr. Narby, who was speaking at a London Press conference, is planning to issue a full statement to FW shareholders via newspaper advertisements explaining why he thinks the Furness Board is not making the best use of the assets at their disposal.

"We have been involved with Furness since 1974 and probably know more about the company than the present Board," said Mr. Narby. Although he asserted that the profitability of Eurocanadian was "much higher" than that of FW, he was a bit vague about quantifying just how profitable his company was.

However, he did say that this year, Eurocanadian's turnover should be in excess of $250m and the group should make after tax profits of "well over $25m" on fixed assets currently valued at $150m.

Because of poor management Mr. Narby said that Manchester Liners in which FW has a 61 per cent stake, is "rapidly disappearing." He also pointed out that Rea Bros, the small City merchant bank, probably influences only 8 per cent of the FW shares—a considerably smaller proportion than had been generally thought.

Speaking at the same Press conference, Mr. Narby's ally, Paul Bristol, chairman of KCA Drilling, which owns another 3.7 per cent of the company, said that he plans to send full details to the Furness board next week of his plans for merging the respective group's oil service interests.

Mr. Bristol said that because of poor management, FW's offshore interests are earning perhaps £3m less than they should. By merging them with KCA's drilling activities, Mr. Bristol believed the combined group could earn pre-tax profits of around £9m a year. He estimated that KCA Drilling might be worth around £20m to FW.

Mr. Bristol argued that there was "massive activity in the drilling industry" and the larger combined group would make a good base from which to expand and compete with the big U.S. drilling companies such as SEDCO and Sante Fe.

However, he admitted that even if his plans did not work out, KCA Drilling would go through and pay for the 8.4 per cent of FW stock which it has bought on deferred settlement. The extra borrowings would not cause any gearing problems, according to Mr. Bristol.

ASSOCIATES DEAL

Hill Samuel Investment Management, as associates of Edgar Allen, has bought on behalf of discretionary investment client 25,000 Aurora Holdings at 37½p.

Jessel reconstruction

Jessel Trust, the investment mpany headed by Mr. Oliver ssel, is planning a major pital reorganisation.

The move follows the nouncement earlier this year at Jessel Trust had been anted a dealer's licence by the partment of Trade.

The terms of the reconstrucn are one new 5 per cent prered £1 share for every £5 isting 10 per cent £1 prerence share, one new 5 per nt preference share for every existing 7 per cent £1 prerence share, and one new dinary 5p share for every five isting ordinary 25p shares. A hts issue of up to 808,500 new linary 5p shares at par to raise ound £40,000 is also proposed. is will be underwritten by Mr. sel without charge.

The scheme is designed to ure the dividends payable on new preference shares, which l constitute 90.4 per cent of new capital, are within the npany's income.

Mr. T. A. Lewis, a Jessel Trust ector, said last night that the sting preference shares carried standing dividend arrears for ir and a half years.

"It is a term of the proposal," added, "that these will be ived since there is no prost of the company being able pay them. The holders, howr, will receive a fixed divind and further participating his on shares in the reduced pital."

In a letter to shareholders, Jessel reveals that shareolders' funds now stand at out £150,000. The board, he s, intends to develop the npany on investment lines, oviding risk capital on occans, and also to use accumued capital gains tax losses of out £400,000 for the benefit of mbers.

Jessel Trust's directors, who recommending the scheme, ld 274,551 shares (23.8 per nt) in the company. The shares dealt with under Rule 163(2).

EED STENHOUSE

Mergers talks between Reed enhouse of Toronto a 53.78 per nt owned subsidiary of Stenhouse Holdings, and the Pinehurst Corporation of Los Angeles, have been called off.

The talks, which revolved round the possibility of grouping both companies' U.S. insurance broking operations, were first announced in March. Transatlantic mergers or merger discussions have been frequent in the sector in recent months.

BMCT DIXON STAKE JUST UNDER 30%

Mr. Graham Ferguson Lacey's private investment group, Birmingham and Midlands Counties Trust, has increased its stake in David Dixon and Son to within 0.3 per cent of an automatic bid for the company. Dixon, which manufactures woollen cloth, hosiery and underwear, made a record profit of £490,000 in the year to March, 1978. In the six months to last September pretax profits increased from £202,000 to £365,000, with record order books promising increased profits for the full year.

OEM SHARE SALE

Office and Electronic Machines has been notified that 710,000 shares owned by the late Mr. E. Markus in his own name and that of nominees have been sold by the executors to Triumph Adler of West Germany, the main supplier of OEM products.

Mr. G. Weeks, chairman of Triumph Adler has been invited to join the board of OEM.

SHARE STAKES

Alexander Howden Group — C. L. R. Hart, director, has sold 50,000 shares.

Thomas Borthwick and Sons — Sir John Thomas Borthwick, director, sold 120,000 ordinary shares on June 4.

British Electric Traction Company—C. S. Wills, director of Rediffusion Television—a subsidiary of BET—has disposed of 50,000 BET deferred ordinary shares.

Guinness Peat Group—Compagnie de l'Occident pour la Finance et l'Industrie has an interest in 3,536,626 ordinary shares (5.4 per cent).

Sainsbury expansion plans

the next three years, the Sainsbury supermarket group pects to open well over 50 w stores—the largest expann programme the group has dertaken, Mr. J. D. Sainsbury, chairman, says in his annual port.

Following the opening of ven new supermarkets in 78-79, the group has been re successful lately in securg suitable sites and gaining nning permission, the chairn says.

One of the features last year s the success of new superrkets in the North West and is intended to continue openg new stores north of the isting trading areas as propriate sites become availle.

The accounts show future pital expenditure authorised directors, at £52m against 0m a year earlier and £18m 15m) contracted but not ovided.

For the year ended March 31, 79, group profits before tax se from £27.1m to £31.8m on les of £1bn against £811m. A profit is reduced to 26.9m ter adjustments for depreation, £5.9m, cost of sales, 1m and gearing, £441,000.

Mr. Sainsbury says the annual crease in sales volume was the ghest the group had achieved ice the ending of wartime ntrols. The sales increase of 2 per cent when adjusted for flation represents a volume owth of 16 per cent.

The directors are prosing profit sharing scheme for th full-time and part-time nployees who have been nployed for at least two years. If approved, the scheme will operative with effect from 979-80 but the chairman estimates if it had been effective this year, there would have been a distribution of just under £1m in shares or cash to about 19,000 staff.

Pearl boost from unit-linked policies

Substantial success in the sales of unit-linked life business this year is reported by Mr. F. L. Garner, chairman of the Pearl Assurance Company.

As a result of a television campaign, sales of linked contracts in the first four months of this year had reached the level for the whole of 1978, itself a record year for sales of linked policies.

The company had invested £500,000 in this business. Further outlays must be expected and the chairman warned shareholders not to expect a positive return on the investment over the short term.

The company had also been badly hit by the winter weather, with severe losses in the property account and the motor account, though the motor account had been less severely affected.

LILLESHALL

A transposition made the last lines of yesterday's comment on the Lilleshall Company indecipherable. The passage should have read "a 55 per cent property revaluation has improved the shape of the balance sheet, but the shares are nonetheless fairly rated on an undemanding stated p/e of 3.1 and a yield of 7.4 per cent."

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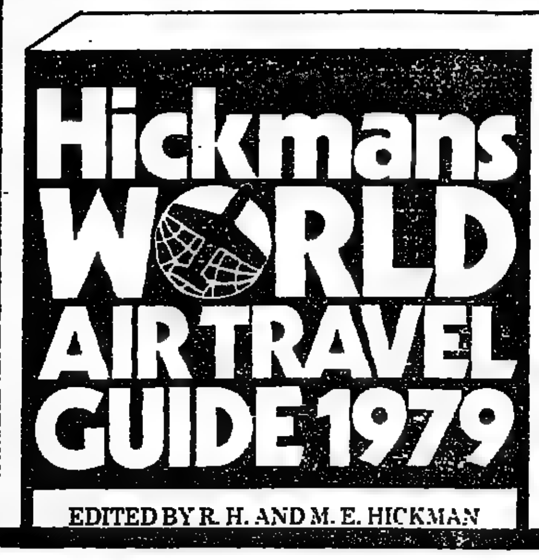

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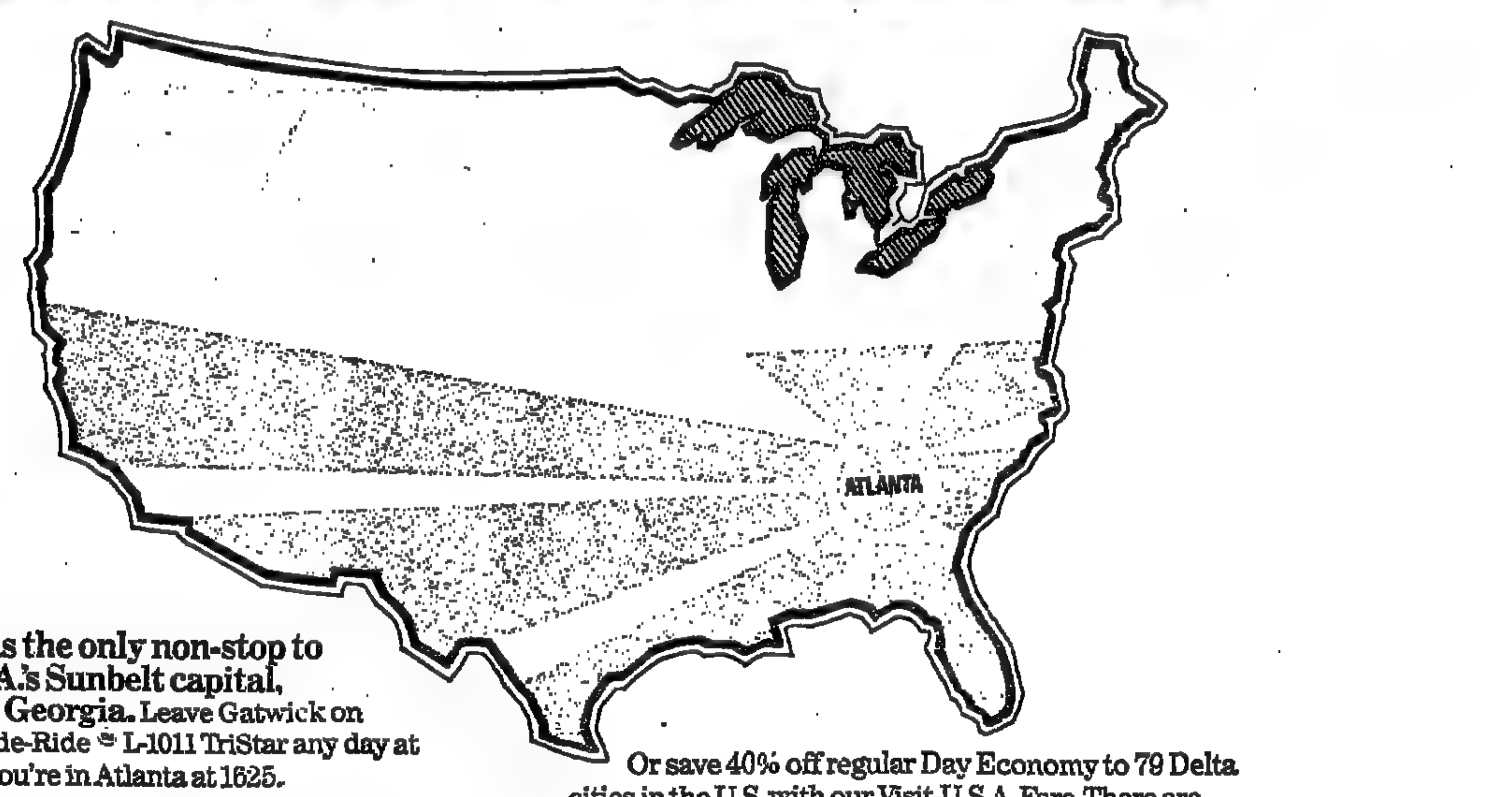

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Pound eases in quiet trading

Sterling showed a slightly weaker tendency against other currencies in yesterday's foreign exchange market, with apprehension creeping in ahead of tomorrow's trade figures and next Tuesday's budget. However trading remained at a low level for most of the day and on a trade weighted basis the pound's index fell to 67.6 from 67.8, having stood at 67.8 at noon and 67.9 in the morning. Against the dollar it opened at $2.0800 and declined steadily during the day to close at $2.0735-2.0745, a fall of 65 points from Tuesday's close.

The U.S. dollar was generally mixed overall, with little in the way of fresh factors to influence trading. Against the D-mark it finished at DM 1.9165, hardly changed from its previous level of DM 1.9160. It was also slightly firmer against the Swiss franc at SwFr 1.7362½, compared with SwFr 1.7345. The yen however rose with the U.S. unit quoted at Y220.25, against Y220.80. On a trade weighted basis the dollar's index was unchanged at 87.0.

The Canadian dollar finished a little firmer at 85.17½ U.S. cents from 85.12½ U.S. cents previously. Earlier in the day demand for the Canadian currency pushed up the rate to 85.45 U.S. cents. However no particular trend seemed to show through, with trading remaining very nervous.

FRANKFURT—There was no intervention by the Bundesbank yesterday when the dollar was fixed at DM1.9159 compared with DM1.9091 on Tuesday. However there may have been some official dollar sales as the dollar rose before the fixing. There was some reaction after a reduction in the number of unemployed in West Germany in May, but dealers termed this as insignificant. Elsewhere the Danish krone and the Belgian franc traded very close to their floor levels against the D-mark. The Danish krone was fixed at DM34.655 per Kr 100 slightly down from Tuesday's level of DM 34.66 but above the EMS floor level of DM 34.645.

MILAN—The lira lost ground against the dollar but improved against EMS currencies. There was no intervention by the Bank of Italy with trading at a generally low level. The dollar rose to L855.20 from L852.70 while the D-mark eased to L446.06 from L446.69.

COPENHAGEN—The D-mark reached its upper intervention point against the Danish krone, and the Danish Central Bank sold $22m at the fixing. The Krone was fixed at DKr 2.8866 compared with the D-mark's limit of DKr 2.8864.

TOKYO—The dollar improved slightly against the yen in fairly quiet trading to close at Y220.875, compared with Y219.75 on Tuesday. After opening at Y221.0, the U.S. unit rose slightly but came back to touch Y220.40 briefly on selling pressure, before improving once again during the afternoon. Turnover in the spot market totalled $570m with forward trading at $161m and swap transactions accounting for $175m.

THE POUND SPOT AND FORWARD

June 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0725-2.0810	2.0735-2.0745	0.36-0.26c pm	1.79	0.57-0.47 pm	1.00
Canada	2.4325-2.4380	2.4343-2.4353	0.18-0.08c pm	0.64	0.47-0.37 pm	0.69
Nethlnd.	4.34½-4.38	4.34¼-4.35¼	1½-¼c pm	3.45	3½-2½ pm	2.78
Belgium	63.77-64.10	63.77-63.87	17-7c pm	2.26	42-32 pm	2.32
Denmark	11.47¼-11.51	11.47¼-11.48¼	1¼ore pm-¾ dis	0.26	¼pm-1½dis	−0.77
Ireland	1.0525-1.0560	1.0537-1.0547	5-15p dis	−1.14	50-65p dis	−2.18
W. Ger.	3.96½-3.99	3.97-3.98	2½-1½pf pm	5.04	6¼-5¾ pm	5.78
Portugal	103.35-103.85	103.35-103.65	50-110c dis	−9.27	120-220 dis	−6.57
Spain	137.10-137.50	137.12-137.22	75-25c pm	4.37	65-15 pm	1.88
Italy	1,770-1,778	1,770½-1,771½	½lire pm-1½ dis	−0.34	4-6 dis	−1.13
Norway	10.75-10.80	10.76-10.77	2½-½ore pm	1.67	7-5 pm	2.30
France	9.17½-9.22	9.17¼-9.18¼	¾c pm-¾c dis	−0.49	2-1 pm	0.65
Sweden	9.08¾-9.12	9.08¾-9.09¾	2½-½ore pm	1.98	6¼-4¼ pm	2.31
Japan	456-460	456½-457½	2.70-2.45y pm	5.48	7.55-7.25 pm	[illegible]
Austria	29.25-29.45	29.28-29.33	15-5gro pm	4.09	40-30 pm	4.78
Switz.	3.59½-3.62	3.59¾-3.60¾	3½-2½c pm	10.00	9¼-8¼ pm	9.58

Belgium rate is for convertible francs. Financial franc 65.75-65.85. Six-month forward dollar 1.42-1.37c pm; 12-month 2.70-2.60c pm.

THE DOLLAR SPOT AND FORWARD

June 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0725-2.0810	2.0735-2.0745	0.36-0.26c pm	1.79	0.57-0.47 pm	1.00
Ireland†	1.9665-1.9715	1.9665-1.9690	0.75-0.60c pm	4.12	2.10-1.90 pm	4.08
Canada†	85.24-85.36	85.24-85.27	0.09-0.07c pm	0.11	0.17-0.14 pm	0.73
Nethlnd.	2.0990-2.1005	2.0990-2.1000	0.30-0.20c pm	1.43	0.90-0.80 pm	1.62
Belgium	30.76½-30.82½	30.75½-30.76	4-3c pm	1.36	9-7c pm	1.04
Denmark	5.5260-5.5365	5.5260-5.5300	0.30-0.80ore pm	1.19	1.85-2.35 pm	1.52
W. Ger.	1.9160-1.9180	1.9160-1.9170	0.73-0.63pf pm	4.26	2.16-2.06 pm	4.40
Portugal	49.90-50.00	49.90-50.00	37-53c dis	−10.81	80-140 dis	−9.21
Spain	66.11-66.17	66.12-66.17	20-15c pm	3.17	par-10 dis	−3.02
Italy	854.20-855.10	854.20-854.60	2.40-2.90 lire dis	−3.72	5.50-6.50dis	−2.81
Norway	5.1885-5.1935	5.1885-5.1895	0.25oredis-0.15pm	−0.11	1.40-1.00 pm	0.92
France	4.4260-4.4340	4.4260-4.4275	0.35-0.50c dis	−1.15	0.80-0.95dis	−0.79
Sweden	4.3830-4.3850	4.3835-4.3845	0.40-0.20ore pm	0.82	1.30-1.10 pm	1.09
Japan	220.30-220.80	220.30-220.50	1.00-0.90y pm	5.17	2.85-2.75 pm	5.08
Austria	14.121-14.136	14.121-14.126	4.40-3.90gro pm	3.53	14-12½ pm	3.75
Switz.	1.7350-1.7366	1.7350-1.7360	1.18-1.13c pm	7.99	3.70-3.65 pm	8.47

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

June 5	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.610040	0.654744
U.S. $	9½	1.26995	1.39092
Canadian $	11½	1.49099	1.55407
Austria Sch.	3¾	17.8615	18.5722
Belgian F.	6	38.9469	40.5385
Danish K.	8	Unavail	7.27433
D mark	4	2.42315	2.52178
Guilder	7	2.65527	2.76337
French Fr.	9½	5.60755	5.83584
Lira	10½	1082.35	1126.75
Yen	4¼	278.600	290.157
Nrwgn. K.	7	6.57472	6.84437
Spanish Pes.	8	83.9921	87.2602
Swedish Kr.	6½	5.56058	5.78541
Swiss Fr.	1	2.19213	2.28190

CURRENCY MOVEMENTS

June 6	Bank of England Index	Morgan Guaranty changes %
Sterling	67.6	−36.7
U.S. dollar	87.0	−6.6
Canadian dollar	81.0	−17.0
Austrian schilling	144.4	+18.4
Belgian franc	112.8	+12.6
Danish kroner	112.3	+1.8
Deutsche Mark	149.1	+41.4
Swiss franc	192.8	+80.1
Guilder	125.4	+18.6
French franc	98.1	−7.8
Lira	54.6	−48.9
Yen	132.0	+30.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

June 6	£	$		£ Note Rates
Argentina Peso	2631-2651	1270-1280	Austria	28.80-29.70
Australia Dollar	1.8750-1.8790	0.9050-0.9070	Belgium	65-66½
Brazil Cruzeiro	52.60-53.60	25.40-25.90	Denmark	11.45-11.55
Finland Markka	8.32-8.33	4.0005-4.0025	France	9.15-9.25
Greek Drachma	78.848-78.705	37.10-38.00	Germany	3.90-3.99
Hong Kong Dollar	10.65-10.67	5.1420-5.1450	Italy	1,740-1,780
Iran Rial	149.80-156.38	72-75	Japan	457-467
Kuwait Dinar (KD)	0.579-0.585	0.2788-0.2790	Netherlands	4.30-4.40
Luxembourg Frc.	63.77-63.87	30.77-30.79	Norway	10.73-10.83
Malaysia Dollar	4.6050-4.6150	2.2210-2.2220	Portugal	100-106
New Zealand Dlr.	1.9850-1.9910	0.9580-0.9610	Spain	135¼-138¼
Saudi Arab. Riyal	7.02-7.12	3.3990-3.4000	Switzerland	3.55-3.65
Singapore Dollar	4.57-4.58	2.2060-2.2075	United States	2.070-2.080
Sth. African Rand	1.7460-1.7550	0.8425-0.8475	Yugoslavia	41-43

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 6	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.5500	+2.77	+1.83	±1.53
Danish Krone	7.08592	7.28235	+2.77	+1.83	±1.635
German D-Mark	2.51064	2.52328	+0.50	−0.44	±1.1325
French Franc	5.79831	5.83312	+0.60	−0.34	±1.35
Dutch Guilder	2.72077	2.76374	+1.58	+0.64	±1.5075
Irish Punt	0.662638	0.668467	+0.88	−0.06	±1.665
Italian Lira	1148.15	1125.93	−1.94	−1.94	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

June 6	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	2.074	3.975	457.0	9.183	3.601	4.368	1771.	2.435	63.88
U.S. Dollar	0.482	1.	1.917	220.3	4.427	1.736	2.099	854.0	1.174	30.77
Deutschemark	0.252	0.522	1.	115.0	2.310	0.906	1.095	445.6	0.613	16.06
Japanese Yen 1,000	2.188	4.538	8.698	1000.	20.09	7.880	9.524	3876.	5.338	[illegible]
French Franc 10	1.089	2.259	4.329	497.7	10.	3.922	4.740	1929.	2.652	69.60
Swiss Franc	0.278	0.576	1.104	126.9	2.550	1.	1.209	491.8	0.676	17.72
Dutch Guilder	0.230	0.477	0.913	105.0	2.110	0.827	1.	407.0	0.559	14.66
Italian Lira 1,000	0.565	1.171	2.244	258.0	5.184	2.033	2.457	1000.	1.375	36.03
Canadian Dollar	0.411	0.852	1.633	187.7	3.771	1.479	1.788	727.6	1.	26.21
Belgian Franc 100	1.567	3.250	6.228	716.1	14.39	5.643	6.820	2775.	3.815	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.30-10.40 per cent; three months 10.35-10.45 per cent; six months 10.40-10.50 per cent; one year 10.20-10.30 per cent.

June 6	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	11⅞-12½	10⅛-10⅜	9½-10½	7⅝-7⅞	1¼-1⅜	5 1/16-5 3/16	8½-9	18-26	—	3 1/16-4 1/16
7 days' notice	11⅞-12⅛	10¼-10½	9½-10½	8-8¼	1⅛-1⅝	5 9/16-5 11/16	9¾-10¼	14-17	10 1/16-10 3/16	3¼-5
Month	12-12¼	9 13/16-9 15/16	10¼-11⅛	8⅜-8⅝	1 1/16-1 3/16	5 9/16-5 11/16	10 13/16-11 1/16	12¼-13¼	9⅝-9⅞	4⅜-5¼
Three months	11⅞-12⅛	10¼-10½	10 13/16-11 3/16	8⅝-8⅞	1 13/16-2 1/16	6-6⅛	11-11¼	12½-13½	10 1/16-10 5/16	5⅛-5⅜
Six months	12⅛-12⅜	10¼-10¾	10 13/16-11 3/16	9-9¼	2 1/16-2 3/16	6⅝-6¾	11⅛-11⅜	13-14	10 5/16-10 7/16	5 5/16-5 11/16
One year	12-12¼	10 5/16-10 7/16	10 5/16-10 11/16	9-9¼	2 13/16-3 1/16	7-7⅛	11⅛-11⅜	13¼-14¼	10⅜-10⅝	6-6⅛

Long-term Eurodollar deposits: two years 10⅛-10⅜ per cent; three years 10-10¼ per cent; four years 9 15/16-10 3/16 per cent; five years 9⅞-10 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Belgian Bank Rate unchanged

European short-term interest rates continued to rise yesterday, under the influence of the strains within the European Monetary System.

The Belgian franc has remained at or near its lowest permitted level against the D-mark for seven consecutive trading days, but the Belgian authorities resisted any temptation to increase the central bank discount rate, for what would have been the third time since the beginning of last month.

Previous rises on May 2 and Wednesday of last week, put up the discount rate to 8 per cent from 6 per cent. Two days ago the Belgian National Bank increased the interest rates on short-term Treasury certificates and four-month bond papers, known as the Fonds des Rentes in a further effort to help the depressed franc. In the past this has often preceded a rise in the discount rate. Last week the central bank spent BFr10bn in foreign currencies and European Currency Units to defend the franc.

In Brussels yesterday the one-month deposit rate for the Belgian franc rose to 8 11/16-8 13/16 per cent from 8½-8¾ per cent; three-month to 9 3/16-9½ per cent from 9⅛-9⅜ per cent; six-month to 9⅛-9⅜ per cent; and 12-month to 9⅛-9⅜ per cent from 9⅛-9⅜ per cent.

PARIS—Money market rates were firm, with day-to-day funds commanding 7⅞ per cent, compared with 7¾ per cent previously. One-month rose to 8¼-8⅜ per cent from 8 1/16-8 3/16 per cent; three-month to 8½-8¾ per cent from 8 5/16-8 7/16 per cent; and six-month to 8¾-9 per cent from 8 11/16-8 13/16 per cent; 12-month money was unchanged at 9⅛-9⅜ per cent.

FRANKFURT—Call money was quoted at 5.70-5.75 per cent, compared with 5.50-5.75 previously. One-month rose to 5.90-6.10 per cent from 5.80-6.00; per cent; three-month to 6.60-6.70 per cent from 6.50-6.60 per cent and six-month to 7.00-7.10 per cent from 6.85-7.05 per cent; 12-month was unchanged at 7.20-7.40 per cent.

AMSTERDAM—Call money rose to 7¾-8 per cent from 7¼-7½ per cent, while one-month was unchanged at 8½-8¾ per cent; three-month at 8¾-9¼ per cent; and six-month fell to 9¼-9½ per cent from 9⅜-9⅝ per cent.

GOLD

Slight fall

Gold reached an all time high in the London bullion market yesterday, but closed slightly easier compared with Tuesday, at $278¼-279¼, a fall of $¼ an ounce. After opening at $279¾-280½, the metal rose to a record level of $281½-282½ before coming back to $280¾ at the morning fixing. The afternoon fixing showed a further fall to $280.0, and while trading in the morning was fairly active, conditions were somewhat subdued in the afternoon ahead of the IMF gold auction.

	June 6	June 5
Gold Bullion (fine ounce)		
Close	$278⅛-279⅛ (£134.5-134.7)	$278¾-279¾ (£134.0-134.5)
Opening	$279¾-280½ (£134.5-134.8)	$275¾-276¾ (£132.7-133.1)
Morning fixing	$280.75 (£135.086)	$275.75 (£132.591)
Afternoon fixing	$280.00 (£134.927)	$274.75 (£131.964)
Gold Coins, domestically		
Krugerrand	$297½-299½ (£143½-144½)	$295-299 (£141½-143½)
New Sovereigns	$78¼-78¼ (£36¾-37¾)	$78¼-78½ (£36¾-37¾)
Old Sovereigns	$88-90 (£42½-43½)	$87-89 (£42-43)
Gold Coins, internationally		
Krugerrand	$288-290 (£138½-139½)	$285¼-285¼ (£136½-137½)
New Sovereigns	$72½-74½ (£35-36)	$71-73 (£34¼-35¼)
Old Sovereigns	$92-94 (£44¼-45¼)	$91-93 (£43¾-44¾)
$20 Eagles	$437-440	$437-442
$10 Eagles	$226-232	$228-233
$5 Eagles	$157-163	$160-165

In Paris the 12½ kilo bar was fixed at Fr 41,700 per kilo ($292.69 per ounce) compared with Fr 42,075 ($295.11) in the morning and Fr 41,300 ($290.75) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 17,325 per kilo ($280.97 per ounce) against DM 16,940 ($276.0) previously.

UK MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979)

Day-to-day credit was in good supply in the London money market yesterday, and the authorities absorbed surplus funds by selling a small amount of Treasury bills to the discount houses.

Banks brought forward small surplus balances, and there was a small decline in the note circulation. On the other hand the market was faced with a small net take-up of Treasury bills to finance.

Discount houses paid 10½-10¾ per cent for secured call loans in the early part, and closing balances were taken at 8-9 per cent.

In the interbank market overnight loans opened at 11-11½ per cent, and eased to 9-9½ per cent at lunch on expectations of easy conditions. Rates rose to 10-10½ per cent in the early afternoon, before falling to 9 per cent, but closing at 12 per cent in thin trading.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

June 6 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	9-12	—	—	—	9¾-11	8-10¾	—	—	—
2 days notice	—	—	11¼-11⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10⅝-11¼	11½-11⅝	—	11⅛	11⅝	10¾-11⅜	—	—	—
One month	11¾-11 13/16	11 7/16-11 9/16	11⅝-11¾	12¼-11⅞	12	12	11½	11¼-11⅜	11 11/16-11¾	12⅛
Two months	11 13/16-11⅝	11 13/16-11⅞	—	12⅛-11¾	12	—	11½-11¾	11½	11 11/16-11 13/16	12⅛
Three months	11 13/16-11⅝	11¾-11⅞	11 11/16-11¾	12-11¾	12	12¼	11½-11¾	11 11/16-11 13/16	11⅝-11 11/16	12
Six months	11 13/16-11 11/16	11 13/16-11⅞	11⅝	11⅝-11¼	12	—	—	—	11 9/16-11 11/16	11⅞
Nine months	11⅞-11⅝	11 13/16-11 15/16	—	11⅞-11⅝	11⅞	—	—	—	—	—
One year	11 11/16-11½	11⅝-11 11/16	11½	11⅞-11⅝	11⅞	—	—	—	—	—
Two years	—	—	11¾-12	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice others seven days' fixed. *Long-term local authority mortgage rates nominally three years 12-12⅛ per cent; four years 12¼-12⅜ per cent; five years 12¼-12½ per cent. ΦBank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 11½-11 17/32 per cent; four-month trade bills 11⅞ per cent.

Approximate selling rate for one-month Treasury bills 11 7/32-11 15-64ths per cent; two-month 11 11/32-11½ per cent; three-month 11⅜ per cent. Approximate selling rate for one-month bank bills 11 9/16-11⅝ per cent; two-month 11 9/16-11 19/32 per cent; and three-month 11½-11 19/32 per cent; one-month trade bills 12⅛ per cent; two-month 12 per cent; and three-month 11⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 12 per cent from June 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 9-9½ per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.4209 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.75
Fed Funds	9.58
Treasury Bills (13-week)	9.36
Treasury Bills (26-week)	9.27

GERMANY

Discount Rate	4
Overnight Rate	5.725
One month	6.00
Three months	6.65
Six months	7.05

FRANCE

Discount Rate	9.5
Overnight Rate	7.825
One month	8.3125
Three months	8.5625
Six months	8.875

JAPAN

Discount Rate	4.25
Call (Unconditional)	5.1875
Bills Discount (three-month)	5.75

NORTH AMERICAN NEWS

Hudson's Bay earnings increase in first quarter

BY ROBERT GIBBENS IN MONTREAL

HUDSON'S BAY Company, the department store chain and resource group now controlled by the Thomson family, earned C$2.9m (US$2.45m) before extraordinary items in the first quarter ended April 30 compared with C$907,000.

Earnings per share, after provision for C$2.7m in dividends on preferred stock issued for the Simpsons Ltd. acquisition last year, were 1 Canadian cent against 6 Canadian cents. The latest period includes, for the first time, contributions from the 57 per cent owned Zeller's chain, 88 per cent owned Simpsons and 35 per cent owned Simpsons-Sears.

The company says it is optimistic on its ability to generate earnings at the level projected earlier this year.

Sales and revenue in the first quarter were C$702m (US$589m) against C$334m. On a comparable basis and including Simpsons and Zeller's, retail volume was up 13 per cent.

Retail earnings were somewhat below expectations mainly because of costs associated with higher than expected inventories. Earnings from fur operations were higher due to increased prices and volume.

Mr. Donald McGiverin, the president, said that results in other areas did not differ significantly from budget.

As previously announced, the Bay will open nine new stores during 1979, totalling 750,000 sq ft. Zeller's will open five new stores totalling 300,000 sq ft.

Upturn at Reliance Electric

BY OUR FINANCIAL STAFF

CLEVELAND-BASED Reliance Electric, which is currently facing a $1.1bn bid from Exxon Corporation, announced yesterday that earnings have risen by 19 per cent to $46m in the first half of this year, with per share earnings equal to $2.82 against $2.?? previously. At $559.7m, sales show a 19 per cent gain.

The second quarter brought a rise of 60 per cent to $29.3m in earnings, lifting share earnings from $1.13 to $1.79. Sales increased by 17 per cent to $???m.

The latest results include figures from Federal Pacific Electric from March 29 and also non-recurring charges from this deal.

On trading prospects, Reliance said the third quarter will be penalised by charges from the inventory write-off on Federal Pacific Electric, but the outlook for the second half of fiscal 1979 remains positive.

Meanwhile, Mr. Victor Posner, president and chief executive of Sharon Steel Corporation, said the Board of Sharon will meet today to consider a stock split and an increase in cash dividends. Sharon Steel revealed earlier this month that it had paid $21.4m for 4.1 per cent of the stock of Reliance at $34 a share, just before Exxon announced its $72 a share offer for Reliance. Sharon is 86 per cent controlled by Mr. Posner's NVF group.

Mr. Posner also said, in response to an American Stock Exchange inquiry, that he knew of no reason for recent volatility in Sharon's stock.

Loews to lift Woolworth stake

BY DAVID LASCELLES IN NEW YORK

[illegible] DAYS after the failure of the Brascan bid, F. W. Woolworth has been notified by one of the most aggressive conglomerates in the U.S. that it plans to buy up to 15 per cent of its [illegible].

The company, Loews Corporation, already owns about 2 per cent of Woolworth, and was required to disclose its intention to increase this stake under the Hart-Scott-Rodino Act on pre-notification of possible takeovers.

Mr. Edward Gibbons, Woolworth's chairman, said that he had been informed by Loews that the sole purpose of the filing was to enable Loews to buy more shares if it wanted to. He also stressed that the two companies had no understanding of any kind regarding possible additional stock purchases.

Loews, with sales of around $3.5bn a year, has emerged as one of the most acquisitive U.S. companies in the past five years, with interests extending from cigarettes to steel. Its original business was cinemas and hotels. But it moved into tobacco with the acquisition of Lorillard (whose brands include Kent). It also bought a controlling interest in CNA Financial, the financial services company, and a 25 per cent interest in Wheeling Pittsburgh Steel.

Its most recent acquisition was Bulova Watch, bought earlier this year for $38m.

News of Loews' filing pushed Woolworth shares up about $2 to $26¼ at noon yesterday. Analysts speculated that Loews might be attempting to take advantage of the large, and now redundant, purchases made by arbitrageurs in anticipation of the $35 a share bid on April 10 by Brascan.

Quebec approves Asbestos proposal

By Our Montreal Correspondent

AFTER WEEKS of heated debate, the National Assembly in Quebec City has given a second reading and passage to legislation empowering the Government to expropriate Asbestos Corporation's Quebec assets. The vote was 52 to 30 and both Union Nationale and Liberal Parties voted against. The Bill now goes to committee for clause by clause study and requires a third reading before it becomes law.

Asbestos Corporation is the second largest producer of asbestos in Quebec and Canada and is 54.6 per cent owned by General Dynamics of the U.S. The Government *is still negotiating* with General Dynamics for the acquisition of its controlling block and there is no evidence yet that agreement is near. Premier Levesque has said the Government will give General Dynamics until the year end to make an agreement for the Government take-over but if agreement is not possible he will use the expropriation legislation.

AP-DJ writes from St. Louis — General Dynamics Corporation said its officers were not immediately available for comment concerning the Quebec Provincial Legislature's vote.

Quebec Minister of Natural Resources, Mr. Yves Berube, indicated that while the Government will be able to expropriate it would prefer to arrive at a negotiated settlement with General Dynamics concerning its holding in Asbestos Corporation.

Bombardier ahead

Bombardier, the snowmobile and heavy transportation products group, which also owns Rotax and a tramcar plant in Austria, earned C$1.2m or 33 cents per share in the first quarter against C$530,000 or 14 cents a share a year earlier our Montreal correspondent writes. Sales were C$74.1m against C$63.1m. Working capital rose C$14m to C$91m mainly due to finalisation of a long term loan of SwFr 21m. The company warns that, despite the encouraging improvement in the first quarter, a strike at a Montreal plant may have effects on second quarter results.

Kaiser bid rejected

Mr. Thomas E. Bronson, president and chief executive of Florida Mining Materials Corporation, said that the company's board rejected the proposed offer which it expects to be made by Kaiser Cement Corporation to acquire Florida mining shares at $32.50 a share, AP-DJ reports from Tampa. Mr. Bronson described the offer as "inadequate and not in the best interests of Florida Mining and its shareholders."

Dividend omitted

Ideal Toy's directors have voted to omit payment of a second quarter dividend, Reuter repotrs from Hollis. The company omitted payment of the first quarter 1979 dividend as well as the fourth quarter 1978 dividend, but paid a year-end 5 per cent stock dividend. Yesterday the company revealed first quarter profits of $624,000 or 17 cents a share, against $20,000 or 1 cent previously.

Teledyne-Studebaker

Studebaker-Worthington has learned that certain Teledyne subsidiaries and employee benefit plans have acquired 871,600 shares or about 6.2 per cent of its stock, Reuter reports from New York. In a June 4 filing with the Securities and Exchange Commission, Teledyne said the shares had been acquired for investment.

Disney listings

Common shares of Walt Disney Productions will be quoted on the bourses of Zurich, Basle and Geneva from June 20, Swiss Bank Corporation said, according to a Reuter report from Zurich.

Lionel raises current year sales and profit forecasts

BY TERRY BYLAND

SALES AND EARNINGS for 1979 at Lionel Corporation will be "considerably above" forecasts made earlier this year, Mr. R. Saypol, chairman and chief executive officer said in London yesterday. In March, Mr. Saypol predicted earnings of more than $6m, or $1.25 a share, against $5.2m or $1.04, on sales projected at $235m, compared with $188.5m.

But current growth rates are higher than expected. Toy retailing, one of the company's two major sectors, which provided 50 per cent of sales and 48 per cent of profits last year, is now showing a 19.9 per cent growth or 40 per cent if this year's acquisitions are taken into account: while the electronics sector is recording a 25 per cent increase in sales.

On this basis, Mr. Saypol expects to see the group's dividend increased once again.

But, looking ahead to the longer term, Mr. Saypol said that Lionel would be glad to dispose of its industrial equipment section, which turns in some $20m sales annually. He would put a price tag of $11m to $12m on this business.

The company has recently agreed to pay $4.5m for stores with a current sales total of $25m in the Pennsylvania, New Jersey and New York areas. By the end of the year, Lionel expects to be operating 61 supermarket toy stores, all situated in prime areas within one hour's truck drive from its nearest warehouses. Last year, the group operated 45.

The group's aim is to achieve a 25 per cent return on equity by 1983. Last year, Lionel returned 18 per cent on equity and this year's target is 20 per cent.

There has been no sign of recession yet in the company's retail outlets, Mr. Saypol said. Retail sales are "accelerating," although of course it remains true that the Christmas selling period is the prime boost to profits. The chief expansion is in the relatively expensive electronic toys sector.

First National Bank of Chicago lends China $8m

HONG KONG — The First National Bank of Chicago has signed an $8m loan with China for the purchase of "coastal shipping vessels," Mr. William McDonough, executive vice president, on his return from China, said here yesterday.

Although the loan is small, it is believed to be the first loan agreement between China and a U.S. bank.

Mr. McDonough said the loan was signed with the Fujian (Fukien) Investment Corporation in Fujian (Fukien) province in South China and it was guaranteed by the Bank of China.

Both Mr. McDonough and Mr. Robert Abboud, chairman of the bank, declined to give other details of the agreement. However, Mr. Abboud said that with China's modernisation programme, the bank hopes to conclude more loan agreements with China when "occasions arise."

AP-DJ

Setback for Mattel

BY OUR FINANCIAL STAFF

FIRST QUARTER net earnings for Mattel Incorporated, the toys and entertainment group, received a setback from lower margins in its German subsidiary toy products group and development costs for the new one-ring international circus festival of Monte Carlo.

Earnings for the quarter ended May 5 were $1.78m compared with $1.80m but net earnings per share remained static at 10 cents on increased sales of $117.4m ($94.3m). The 1978 figures exclude an extraordinary income tax credit of $1.1m or 6 cents a share.

Mattel also said that given the magnitude and impact of significant seasonal variations in its toy products group, "disproportionately lower sales and earnings or losses are traditionally experienced in the first and last quarters of the fiscal year."

Additionally, Mattel said that domestic lines of credit totalling $160m for seasonal working capital requirements through May 31, 1980, with interest at bank prime rates, have been made available by its domestic banks.

MEDIUM-TERM FINANCING

Brazil awards loan mandate

By Rosemary Burr

THE MANDATE for the $160m credit for the Itaipu hydroelectric project in Brazil has been awarded to a group of banks led by Morgan Guaranty Trust Company.

The terms on which the loan was awarded are the finest for a Brazilian credit in the current phase of falling margins.

Seven banks, Morgan Guaranty (agent and books), Banco do Brasil, Banco Estado de Sao Paulo, Banque Europeene de Credit, Fuji Bank, Royal Bank of Canada and Union Bank of Switzerland, will manage the deal. These are two equal tranches of $80m.

The 12-year portion carries a spread of ¾ per cent over interbank rates for the first six years and ⅞ per cent for the last six years, with a management fee of ⅞ per cent. The 15-year tranche has a margin of 1 per cent for the first two years, and 1⅛ per cent for the rest with a management fee of 1 per cent. The grace period is eight years for both tranches.

The $80m 15-year portion is the largest loan with this long a maturity for a Brazilian borower to be syndicated in recent years.

EUROBONDS

$100m FRN from National Westminster

By Francis Ghilès

NATIONAL WESTMINSTER Bank is raising $100m in the form of a 15-year floating rate note in the Eurobond market. The borrower is paying a coupon of ¼ per cent above the average three-month interbank rate for the first three months of the life of the issue. The coupon will then be adjusted every six months to ¼ per cent above the average six-month rate.

The reason given for this technique is that short-term Eurodollar rates can behave erratically at the end of June and December. The minimum coupon has been set at 5¼ per cent.

Lead manager is NatWest's subsidiary County Bank, which is running the books. Orion and Credit Suisse First Boston are acting as joint lead managers.

Meanwhile, Societe Generale Alsacienne de Banque is arranging a $20m ten-year FRN through Societe Generale, the French state bank which has a controlling stake in the borrower's capital. The borrower is paying a coupon of ¼ per cent over the average six-months interbank rate and a minimum interest rate of 5¼ per cent.

Later this wek, Hoechst, the major German chemical company, is expected to float a $125m issue of bonds with warrants through Dresdner Bank.

The $30m FRN for Bangkok Bank has been priced at par by the lead managers, Manufacturers Hanover and BNP. This five-year bullet issue carries a minimum coupon of 6¼ per cent.

The DM 200m issue for Sweden announced earlier this week has met with a good reception in the Deutsche-Mark sector.

In the sterling sector the recent issue for the EIB is being quoted by the lead manager, Kleinwort Benson, at 97-97½, unchanged from the level at which the issue opened last Friday.

The KD 10m ten-year issue for the Banque Nationale de Paris which carries a coupon of 7¾ per cent has been priced at par by the lead manager, Kuwait Investment Company.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on June 6

U.S. DOLLAR STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]wden XW 9½ 81	30	88½	89½	+0½	−3½	11.23
[illegible]/S Cap. 10½ 87	40	97¼	97¾	0	−0¼	10.70
[illegible] Int. F. XW 7¾ 88	200	84¾	85¼	+0½	0	9.69
[illegible] 9¾ 84-99	50	85½	86	0	0	9.86
[illegible] 9 83	400	98¼	98¾	+0½	−0½	9.61
[illegible] 9¼ 88	350	97¼	97¾	+0¼	−0¼	9.79
[illegible]an Pacific 9¾ 89	50	98½	99	0	−0¼	9.85
[illegible]o Inv. E. 10¼ 91	40	99½	100	+0¼	−0¼	10.25
[illegible]hom. O/S 9¾ 94	200	98½	99	0	−0¼	9.78
[illegible] 98	125	93½	94¼	+0¼	+0½	10.05
[illegible] 85	150	99½	100	0	−0½	9.90
[illegible] 99	100	99½	99¾	0	−0¼	10.16
[illegible] Dv Cpn. 9 85 84	150	†100¾	101¼	+0½	−0¼	9.80
[illegible] Dv. Cpn. 9¾ 84	100	97¾	98¼	+0¼	−0¼	9.87
[illegible]dinana 9 85	50	98¼	98¾	+0¼	0	9.85
[illegible] 9½ 86	100	97¾	98	+0¼	0	9.96
[illegible]n. 9½ 84	50	98¾	99¼	0	−0¼	9.89
[illegible] Int. Fin. 9¾ 85	50	99¾	100¼	0	−0¼	9.78
[illegible]al O/S 9 83	25	96¾	97¼	−0½	−0¼	9.87
[illegible]n Bay Co. 10 84	50	101	101½	0	0	9.62
[illegible]nance 8¾ 90	30	92¾	93¼	0	−0¼	10.84
[illegible]nunco 10½ 93	40	95¾	96¼	−0¼	−0¼	11.07
[illegible]tilles 9½ 89	75	97½	98	0	−0¼	9.86
[illegible]ba 9½ 89	75	97¼	97¾	−0¼	−0½	9.86
[illegible] Brunswick 9¾ 94	75	98½	98¾	+0¼	−0½	9.95
[illegible]undland 10 94	50	100½	101	−0¼	−0½	9.89
[illegible] Hydro 9¾ 94	50	98½	99	0	0	9.90
[illegible]y 9¾ 84	150	100½	101¼	0	−0¼	9.73
[illegible]v 9¾ 84	150	99½	99¾	0	−0¼	9.79
[illegible] Scotia Pwr. 9¾ 89	50	98	98½	0	−0¼	10.03
[illegible]ntal Fin. 10¾ 84	50	99¾	99¼	+0½	+0½	10.52
[illegible]d 10 84	50	†97¾	98¼	+0½	−0¼	10.50
[illegible]c Hydro 10 98	75	98	98½	−0¼	−0½	10.46
[illegible]d Fin. XW 9¾ 81	25	†93	93½	0	+0½	10.49
[illegible] Roebuck 9 82	150	98½	98¾	+0¼	−0¼	9.57
[illegible]olm 9¾ 94	50	99¾	100¼	+0½	+0¼	9.98
[illegible]n 9¾ 89	100	98¾	99¼	0	−0¼	9.99
[illegible]n 9½ 86	200	98¾	99¼	−0½	0	9.91
[illegible]easing Intl. 10 84	20	97¼	97¾	−0½	−0½	10.67

DEUTSCHE MARK STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]ion Ex. Int. 6½ 87	70	90¾	91¼	−0½	+0½	7.06
[illegible]ina 6½ 88	150	90¼	90¾	−0¼	−0¼	7.98
[illegible]inn 7½ 89	150	93¼	93¾	−0½	−1½	8.49
[illegible]lia 6 89	250	†92¾	93¼	0	+0½	7.03
[illegible] 6¾ 90	150	86½	87½	0	−0½	7.50
[illegible] Desarrollo 7¾ 89	100	†95½	96	0	+0½	8.08
[illegible]ve O'seas 6¾ 89	100	95¼	96¼	−0½	−0½	7.33
[illegible]t. Algerie 7¾ 86	100	94¾	94¾	−0¼	−1¼	8.35
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I/Bk. 9 84 SDR	20	97	98	+0½	+0½	9.66
Avco Fin. 10¾ 88 C$	25	96¾	97¼	0	−0½	10.85
Ex. Dev. Cpn. 10 84 C$	60	99½	99¾	−0¼	−0¼	10.16
Fst. Can. Inv. 10 84 C$	50	98¾	99¼	−0¼	−0¼	10.28
Hudson Bay 10½ 89 C$	60	100¼	100¾	0	−0¼	10.41
Quebec 10½ 86 C$	50	98½	99	0	+0½	10.80
R. Bk. Canada 10 86 C$	40	99¾	100¼	0	−0½	9.97
R. Bk. Canada 10 84 C$	40	98¾	99¾	0	0	10.48
Copenhagen 8¾ 91 EUA	25	98	98¾	+0½	+0½	8.47
Komm. Inst. 7½ 93 EUA	15	95¾	97¼	0	+0½	7.91
Panama 8¾ 93 EUA	20	95¾	96½	+0½	+0½	8.76
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES

	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS

	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Murata M 3½ 86 DM	11/78	854	†83½	84½	−0½	12.97
Nippon Ysn. 3½ 85 DM	1/79	251	†81½	82	0	−31.61
Nissan Diesl. 3½ 86 DM	2/79	477	†86	87	−0¼	5.77
Olymp. Opt. 3½ 85 DM	2/79	703	†89½	90	+0½	1.61
Sharp Cpn. 3½ 88 DM	2/79	487	90½	90¾	−0½	10.20
Stanley Elec. 3½ DM	11/78	623	†80½	81½	+0¼	40.25
Tokyo Elec. 3½ 87 DM	4/79	476	†90¼	90¾	0	26.50
Tokyu Ld. Co. 4 86 DM	4/79	493	†85	86	0	13.75
Trio-Knwd. 3½ 88 DM	11/78	711	†80	81	0	28.78

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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AMERICAN QUARTERLIES

KING'S DEPARTMENT STORES

First quarter	1979 $	1978 $
Revenue	106.6m	109.1m
Net profits	†235,000	1.02m
Net per share	†0.03	0.13

† Loss

LEASCO

First quarter	1979 $	1978 $
Revenue	8.81m	9.63m
Net profits	†623,000	†1.29m
Net per share	†0.43	†0.89

† Loss.

SIMPSONS

First quarter	1979 C$	1978 C$
Revenue	157.2m	143.6m
Net profits	†1.24m	1.92m
Net per share	†0.026	0.041

† Loss.

J. P. STEVENS & CO.

Second quarter	1979 $	1978 $
Revenue	455.4m	412.8m
Net profits	10.16m	8.83m
Net per share	0.79	0.68
Six months		
Revenue	880.0m	793.1m
Net profits	19.84m	15.97m
Net per share	1.54	1.24

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE May 25, 1979

$250,000,000

Gulf Oil Corporation

Variable/Fixed Rate Debentures Due 2009

Interest Rate through November 30, 1979 at 9.55%

The First Boston Corporation

Salomon Brothers

Merrill Lynch White Weld Capital Markets Group
Merrill Lynch, Pierce, Fenner & Smith Incorporated

Blyth Eastman Dillon & Co. Incorporated | Goldman, Sachs & Co. | Bache Halsey Stuart Shields Incorporated
Bear, Stearns & Co. | Dillon, Read & Co. Inc. | Donaldson, Lufkin & Jenrette Securities Corporation
Drexel Burnham Lambert Incorporated | E. F. Hutton & Company Inc. | Kidder, Peabody & Co. Incorporated
Lazard Frères & Co. | Lehman Brothers Kuhn Loeb Incorporated | Loeb Rhoades, Hornblower & Co.
Paine, Webber, Jackson & Curtis Incorporated | L. F. Rothschild, Unterberg, Towbin
Shearson Hayden Stone Inc. | Smith Barney, Harris Upham & Co. Incorporated | Warburg Paribas Becker A. G. Becker
Wertheim & Co., Inc. | Dean Witter Reynolds Inc.
Atlantic Capital Corporation | Basle Securities Corporation | Daiwa Securities America Inc.
EuroPartners Securities Corporation | The Nikko Securities Co. International, Inc.
Nomura Securities International, Inc. | Scandinavian Securities Corporation
Yamaichi International (America), Inc. | New Japan Securities International Inc.
Nippon Kangyo Kakumaru International, Inc. | Sanyo Securities America Inc.

April 1979

This announcement appears as a matter of record only

THE TAIYO KOBE BANK LIMITED

U.S.$60,000,000

FLOATING RATE CERTIFICATES OF DEPOSIT DUE APRIL 14TH, 1982

Managed by

Abu Dhabi Investment Company
Al-Ahli Bank of Kuwait K.S.C.
American Express Bank
International Group
Arab African International Bank - Cairo
Bankers Trust International Limited
Bank of America International Limited
Banque de Paris et des Pays-Bas
Manufacturers Hanover Limited

This announcement appears as a matter of record only

COMPAÑIA TELEFONICA NACIONAL DE ESPAÑA

U.S. $50,000,000

Medium Term Loan

Provided by

LLOYDS BANK INTERNATIONAL LIMITED
ALGEMENE BANK NEDERLAND N.V.
BANK OF SCOTLAND
BANQUE EUROPEENNE DE CREDIT (BEC)
CREDIT LYONNAIS
GRINDLAYS BANK LIMITED
INTERNATIONAL COMMERCIAL BANK LIMITED
THE MITSUI BANK, LIMITED
SWISS BANK CORPORATION

Agent Bank

LLOYDS BANK INTERNATIONAL LIMITED

A member of the Lloyds Bank Group

Strong improvement in Total profits

BY DAVID WHITE IN PARIS

CIE FRANCAISE des Petroles, the Total oil group has announced a sharp increase in consolidated profits for 1978 and says that its activities in refining, distribution and petrochemicals, are now out of the red.

Overall earnings for the group climbed to FFr 451m ($100m) last year from FFr 260m and and the opening months of this year showed further strong improvement according to CFP.

The company is floating FFr 381.7m worth of variable rate convertable bonds, of FFr 200 each, exchangeable for FFr 50 nominal shares.

The company said that if current conditions did not deteriorate the group's cash flow and results should rise substantially over the year.

Last year's improvement was attributed to increased oil and gas output and a recovery in the refining and distribution sectors at the end of the year, helped by higher prices. The group also gained from the relative strength of the French franc.

CFP's majority interests doubled their net earnings to FFr 271m from FFr 134m. Profits for its minority interests rose to FFr 180m from FFr 126m.

Cash flow was 16 per cent higher last year at FFr 3.3bn, compared with FFr 2.89bn in 1977.

Investments were brought down to FFr 3.06bn, with the proportion spent on exploration and production dropping to 57 per cent from 66 per cent, this reflected the completion of investment programmes in the North Sea.

The volume of oil sold, remained stable last year at 82m tonnes while gas sales showed a 1.2 per cent increase to 3.2bn cubic metres.

* * *

ELF AQUITAINE, the French nationalised oil company, has turned in final consolidated figures for 1978 very much in line with its forecasts. They show net profits dipping from FFr 1.8bn ($409bn) in 1977 to FFr 1.5bn, while turnover rose from FFr 38bn to FFr 41bn, writes Terry Dodsworth in Paris.

Elf's results were undermined particularly last year by heavy losses in Le Nickel, the New Caledonian mining company in which it has a 50 per cent stake alongside Inetal. Losses attributed to this area of business came to about FFr 600m.

In its other big problem area, oil refining and distribution, Elf made some progress. But it still ran up losses of around FFr 400m in its French refinery business, and is predicting that it will not be able to turn round this division until 1982-83. Overall refinery and distribution losses for the group amounted to FFr 880m against FFr 1.2bn in 1977.

Total investments of the group fell last year by 21 per cent to FFr 6.9bn, mainly because it had passed the hump expenditure of the Frigg gas field. But at the same time, Elf expanded its exploration effort by pushing up its spending by 31 per cent to FFr 1.9bn, compared with the previous year.

All of the exploration bill was covered by internally generated funds, as well as 83 per cent of other investments. This enabled debts to be reduced from a ratio of 49 per cent at the end of 1977 to 44 per cent for 1978.

Roussel-Uclaf growth slackens

BY OUR PARIS CORRESPONDENT

GROWTH AT Roussel-Uclaf, the French pharmaceuticals group controlled by Hoechst, of West Germany, has fallen behind schedule so far this year.

Turnover in the first quarter was 6 per cent up on the level at the same time last year, less than half last year's rate of expansion, which left group sales 13 per cent up on a comparable basis at FFr 3.95bn ($890m).

M. Jacques Machizaud, the chairman, indicated that the group was likely to fall slightly below its original forecast of a FFr 4.5bn turnover figure this year, despite signs of a pick-up in the second quarter.

Growth was held back by price controls on medical products and by the weakness of the dollar at the beginning of the year. This affected in particular Roussel - Uclaf's business in bulk therapeutic products, which is more than 80 per cent geared to export markets.

In 1978, the group showed a 32 per cent increase in net profit to FFr 103.5m leaving out exceptional gains, mainly the transfer of provisions now considered superfluous, the rise was 22 per cent to FFr 95m.

Sales of agricultural products climbed by 27 per cent last year to make up 22 per cent of overall sales, and a further 22 per cent increase was registered in the first quarter of this year.

Perfumes, which include the Rochas label bought in 1975, showed a 19 per cent increase last year and 11 per cent in the first three months of 1979. The group's "new activities" branch has been growing even faster, starting from a small base.

Investments increased in 1978 to FFr 270m from FFr 176m, and are expected to be held at about the same level.

Earnings boost for Smit Internationale

By Our Financial Staff

EQUIPMENT SALES gave net profits of Smit Internationale, the Dutch ocean towage and salvage group, a considerable lift in the first half to March 31 after two years of poor earnings.

Although the operating result slipped to Fl 8m from Fl 8.2m a year earlier, net profit accelerated sharply to Fl 9.7m ($4.6m) from Fl 5m, much of the rise stemming from sales of equipment.

For the second half of the current financial year, Smit is looking for a small net profit, pinning its hopes chiefly on the improvement in orders for salvage work. Shipping prices, however, remained under pressure, the company said.

When reporting its 1977-78 results, which were more than halved at Fl 16.1m, the company said competition had been growing more intense in areas previously too specialised for many companies.

It found mild encouragement, though, in the level of activity in the offshore sector and the fact that the low point of the world shipping recession seemed to have passed.

Optimism at Svenska Cellulosa

BY WILLIAM DULLFORCE IN STOCKHOLM

SVENSKA CELLULOSA (SCA), Sweden's largest pulp and paper conglomerate, will experience a larger profit recovery this year than anticipated in the 1978 shareholders' report, Mr. Bo Rydin, the managing director, told the annual meeting. At the same time, he stressed that Sweden's nuclear energy policy would have to be clarified before the group could go ahead with its investment programme.

Deliveries of forest industry products had improved in both volume and price this year and, despite the increase in oil prices, SCA's earnings would be "substantially better" than the SKr 273m ($60m) recorded last year on a SKr 5.1bn turnover.

Mr. Rydin denied reports that SCA was planning a rights issue in the near future. The meeting approved the raising of the dividend by SKr 1 to SKr 11 a share for 1978 and a share split, halving the nominal value of the shares to SKr 50 each.

A halt to Sweden's nuclear power programme would call for revision of SCA's policy, which had been based on the assumption that electricity would be available at competitive prices.

SCA could not go ahead with the building of a new newsprint machine, until it was clear that electricity could be obtained in sufficient quantity and at a price comparable with that paid by its Canadian competitors, Mr. Rydin said.

* * *

POSTIPANKKI, the state-owned post office bank which is also the third largest commercial bank in Finland, describes its result for fiscal 1978 as "relatively satisfactory" in spite of an 18.5 per cent dip in profits to FM 8m ($2m), writes Lance Keyworth in Helsinki. The profit figure is struck after taxes, maximum permissible depreciation and transfer to the credit loss reserve. The credit loss reserve now stands at FM 281m and the reserve fund at FM 229m.

Heurtey in U.S. deal

Midland-Ross said its directors approved in principle the proposed acquisition of Heurtey Fours et Thermique by Stein Surface SA, a subsidiary of Midland-Ross, AP-DJ reports from Cleveland. Under the terms of the proposed acquisition of the French company Heurtey Fours stock would be exchanged for newly issued shares of Stein Surface stock. Heurtey Fours is a subsidiary of SA Heurtey of Paris. The parent Heurty, following the acquisition, would own one-third of Stein.

Krauss-Maffei sales growth

By Guy Hawtin in Frankfurt

KRAUSS-MAFFEI's defence contracting operations pushed up sales by 70 per cent, from DM1bn to DM1.7bn ($887.4m) in 1978. This followed a 50 per cent rise in sales in 1977.

Civilian work in its mechanical engineering division showed no noticeable improvement last year. According to the group, the domestic market for its civilian products is showing only slight signs of improved demand, while overseas business has been made more difficult as a result of currency fluctuations and contracting imports.

First quarter reduction for German drugs group

BY LESLIE COLITT IN BERLIN

SCHERING, the pharmaceutical and chemical company based in West Berlin, increased its international sales by 19 per cent in the first quarter of this year to DM 668m ($348.2m). Schering says that parent company profits were "somewhat lower" than in the same period last year.

Last week Schering announced that its world-wide profits for 1978 had risen by 32.6 per cent to DM 87.9m. The sharp jump in turnover in the current year is largely accounted for by the inclusion for the first time in Schering group sales of Sherex Chemical of the U.S., which was acquired from Ashland Oil last year, and the Diamalt AG in Munich also taken over last year.

Sherex had sales of DM 50m in the first quarter of this year and Diamalt had a turnover of DM 28m. Without these two companies, Schering group turnover was up 5.2 per cent.

The company is optimistic about profits improving over the rest of the year although it says predictions are impossible, among other things because of exchange rate fluctuations.

Snia Viscosa outlays

IN THE three years to 1981 the loss-making Italian fibres group, Snia Viscosa, plans capital spending of L265bn ($310m). The spending programme is "conditional" on the success of the financial restructuring currently being negotiated by Snia. Last year the company's losses rose from L47bn to L79.2bn, writes our financial staff.

DUTCH SHIPBUILDING

A ceiling for government support

BY CHARLES BATCHELOR IN AMSTERDAM

THE NETHERLANDS could become the first European country to withdraw from a major shipbuilding sector as a result of the current recession in the industry. The failure of previous attempts to stem losses has forced the Dutch Government into a second round of aid for the country's largest shipbuilder, Rijn-Schelde-Verolme (RSV).

Pending a decision on what to do with the VDSM yard near Rotterdam and with other yards which build offshore platforms and large vessels the Government has said it will assume responsibility for this part of RSV's operations. Faced with demands for funds from a number of other industries the Government is being forced to consider closing down the last yards capable of making large vessels in the Netherlands.

Despite the provision of Fl 415m ($198m) of aid in March, 1978, of which Fl 240m was actually taken up in that year, RSV's results have continued to worsen. The operating loss rose sharply to Fl 77.3m ($37m) last year from Fl 10.9m in 1977 and RSV only managed to check its net loss by selling off a large number of company-owned houses. The net result was a loss of Fl 59.7m compared with Fl 49.6m the year before.

Losses on ship and offshore construction rose to Fl 46.8m from Fl 13.8m while the ship repairing loss was Fl 66.4m compared with Fl 11.2m. The loss in the industrial equipment sector also rose sharply — Fl 16.6m from Fl 2.8m, although the only other loss-making sector — shipping — was only Fl 6m in the red compared with Fl 32.7m the year before. The profitable sectors of marine, electrical and naval engineering, utility engineering and field construction and process engineering were unable to compensate for these deficits.

The rescue plan now presented to the Dutch parliament will provide Fl 195m of aid to RSV, although Fl 120m of this was included in the first round of aid last year. This Fl 120m was originally given in the form of subordinated loans but has now been reallocated and may be converted into equity. Of the Fl 75m of genuinely "new" aid, Fl 50m is to meet the cost of the re-organisation of the ship repair division and Fl 25m for modifications to the WF-RDM engineering works. Over and above the Fl 195m a further Fl 50m aid will also be given.

Independent business consultants will be called in to assess the outlook for RSV, and the Economics Minister has made it clear that the latest cash injection for the company is to be the last

In return for this package the Government is seeking a further re-organisation of RSV and changes in its centralised structure. More cutbacks must be made in its ship repair division. A foundry in Amsterdam must be shut down and the marine engineering and heavy equipment divisions will be trimmed.

The company is too large and carries out too diverse a range of activities to be managed from one central point, Mr. Gijs Van Aardenne, Economics Minister, said in his letter to parliament outlining the plan. There is a danger that problems in one part of the concern could affect other parts. The Government is therefore studying the possibility of splitting up the company into independent self-sustaining units, at least at the operating level.

The latest injection of aid is to be the last, the Minister stressed in his letter. The sums promised are meant to be maximum figures and the Government will try to keep actual levels below the upper limits set. The package is conditional on the European Commission giving its approval, and additional conditions may be imposed.

RSV has had to agree to allow independent consultants access to its books to study the possibility of improving efficiency and to review the structure of the group, its management and its organisation. This review is due to be completed by September 15 and RSV will be required to follow the consultants' recommendations, provided these are approved by the Government.

RSV itself must carry out a study of the possibility and the desirability of splitting up its operations, bearing in mind the impact on its customers, its finances and other interested parties. The Government has again set September 15 as the date by which this report must be completed. The company must also agree to co-operate with the merger of its energy supply industry activities with those of a number of other concerns. Finally, strict conditions will be laid down to prevent RSV gaining an unfair competitive advantage as a result of this aid, the Minister said.

Bargaining over this package has clearly been very tough and the Government is at great pains to let RSV, the unions, and the general public know that it will require every guilder to be accounted for. A report published last March by a Parliamentary Commission for Shipbuilding revealed that most of the Fl 1.5bn ($715m) of aid given to the industry over the previous three years could be written off. Despite massive state support the position of most sectors was still critical, the report concluded.

Negotiations over the second part of the latest plan—what to do with RSV's yards with the capacity for large vessels and offshore structures — are likely to be even tougher. RSV has asked for Fl555m to keep these yards open, or for Fl180m to meet the cost of closing them down. The unions have produced an alternative plan under which Fl400m would be needed to put the yards into mothballs and "lend" workers to other yards until the shipbuilding market recovers.

At the end of four years of attempts to keep a privately-owned shipbuilding industry on its feet the Government has in effect had to admit defeat. Following last year's decision to take a 43 per cent stake in RSV's equity it has now been forced into the de facto nationalisation of a further important portion of the business. Unless, that is, it is prepared for outright closures.

South Korea to enforce heavy industry mergers

BY RON RICHARDSON IN SEOUL

IE SOUTH KOREAN Govern- ;nt is to force the merger of me of the industrial activities four of the country's major mpanies under plans for the lionalisation of heavy dustry.

The aim is to shift investment om heavy industry, which is port orientated, to light in- stry producing goods for the mestic market. This is in- ided to overcome severe ortages which have fanned uth Korea's high level of lation.

The overall effect of the cut- ck will probably be a speed- up in economic growth, cause, in the short term, uth Korea's domestic market ems likely to grow more ickly than the export sector. e latter recorded a 3.7 per it decline in real terms in the st four months of 1979.

In line with a previously nounced policy of cutting ck the rate of investment in avy and chemical industries ring the next two years, the avy electrical plant manufac- ing facilities being built or inned separately by Hyundai avy Industries, Hyundai ernational, Samsung Heavy lustries and Daewoo Heavy lustries are to be consoli- ted into two ventures, one king the two Hyundai arms d the other bringing Samsung d Daewoo into partnership.

The plants involved in the rgers are those producing am boilers, turbines, and clear steam supply systems. Hyundai International has en selected to carry the undai banner in producing clear generating ancilliary uipment and turbine nerators. This will be con- ntrated at the company's 0m plant at Changwon which due to be completed by the ddle of next year. Hyundai oup is to increase its invest- nt in Hyundai International, ich at present has only about m of its own capital invested the Changwon plant.

Hyundai International has o been urged by the Govern- nt to sell its subsidiaries which are not directly involved with the Changwon development.

The other power plant supplier will be a partnership between the Samsung and Daewoo groups. Boiler production will be assumed solely by the present Samsung arm, while generator construction will be confined to Daewoo, thus preventing expansion by each group which would have resulted in their operating parallel and competing facilities.

Other cutbacks in heavy industrial plans announced by the Government include a reduction in the scope of the Okpo integrated machinery plant, postponement of construction of a zinc refinery by Koryo Zinc, and abandonment of plans by the Hyundai and Daewoo groups to set up tyre manufacturing plants.

A factory to make diesel engines for heavy equipment planned by Hyundai International has also been scrapped. The Government will not allow additional investment in diesel engine manufacture beyond the three established makers — Hyundai Engine, Ssangyong Heavy Equipment and Daewoo Heavy Industries.

The 1.25m dwt capacity Okpo Shipyard, being built by Daewoo Heavy Industries with extensive design support by the British A. and A. Appledore, has surprisingly emerged unaffected by the cutback. It had been considered probable that the new shipyard due for completion next year would be mothballed in view of the heavy overcapacity already apparent in South Korea's shipbuilding industry.

However, the heavy losses which would be incurred if the project were halted now and the foreign lending associated with equipment purchases has persuaded the Government planners to allow the project to go ahead.

The overall effect of the Government cutbacks is to shelve development projects involving investment of about US$770m.

Petronas moves into retail

BY WONG SULONG IN KUALA LUMPUR

TRONAS, the Malaysian e oil company, has moved the retail marketing of oil ducts with the opening of ee petrol stations in Kuala npur.

The company said that it ild be opening more petrol ions in Kuala Lumpur and er parts of the country and oil sources say it is aiming to secure 20 per cent of the domestic oil and petroleum market.

The three stations in Kuala Lumpur are initially selling diesel and kerosene, to help alleviate a shortage of such products in Malaysia, but would later sell petrol.

Australian print group lifts interim earnings

By John Rogers in Sydney

THE AUSTRALIAN printing and publishing group, the Herald and Weekly Times, pushed its interim earnings 11 per cent ahead from A$7.38m to A$8.19m (U.S.$9.06m) in the six months to March 31. The directors are to pay a steady 5 cents a share dividend, which is easily covered by increased earnings, up from 12 cents to 13 cents a share. They make no comment on the result, but sales increased in line with profits to finish 11.03 per cent higher at A$106.4m (US$117.76m).

The result came after a tax payment of A$5.98m (previously A$5.12m), interest of A$533,000 (A$559,000) and depreciation A$1.26m (A$1.26m). There were no extraordinary items during the period compared with A$713,000 in the previous corresponding period.

At the company's annual meeting last December, Mr. K. D. Macpherson, the chairman, said that the group was soundly based and ready to take advantage of opportunities as they arose.

One of these opportunities took the form of mopping up the 3.5 per cent public shareholding in the jointly-controlled Australian newsprint mills. This group, which is Australia's biggest newsprint supplier, mainly to its user shareholders, is now poised for a period of sustained growth and plans to build a A$160m plant

In the full year to September 30, HWT lifted net profit 13.2 per cent from A$15.38m to A$17.41m

Dollar loans approved for Japanese

TOKYO — The Japanese Finance Ministry has approved plans by the Bank of Tokyo and Bank of America for two short-term dollar loans totalling $15m to Japanese borrowers.

Ministry officials declined to give the size of each loan—the first approved under a measure adopted last month allowing resident banks to make short-term foreign currency loans to Japanese trading houses and manufacturers for use in Japan after conversion to yen.

The Ministry is also considering applications by 10 other Japanese and foreign banks for similar loans, totalling over $100m, to Japanese borrowers.

The initial framework for loans under the new measure, designed to encourage an inflow of dollars to Japan, is $300m, which will be increased if the total is absorbed. Reuter

OIL REFINERS

Upturn forecast in Japan

BY YOKO SHIBATA IN TOKYO

JAPAN'S seven leading oil refiners, listed on the Tokyo Stock Exchange, foresee an improvement in earnings toward the end of the current fiscal year despite the prospects of more oil price increases by OPEC. The refiners aim to offset higher costs by raising the price of their products.

For the current fiscal year the seven expect combined operating profits of Y24bn ($109m), compared with an operating deficit of Y6.7bn in the 1977-78 fiscal year, even though the oil supply outlook is unclear.

For the fiscal year ended last March, exchange gains caused by the yen appreciation amounted to Y438bn, compared with Y298bn in 1977-78. In the case of oil refiners, exchange gains caused by the yen appreciation fall into two categories—those from the reduction of import costs, and import finance gains (Japanese refiners usually borrow U.S. dollars for imports of crude oil and recoup in yen four months later).

During the year, the exchange appreciation for the seven refiners meant that they enjoyed Y364bn in total in cost reductions on imports—against Y183bn in 1977-78.

However, gains from the reduction of the import cost of oil were more or less cancelled out by cost increases resulting from price declines, arising from weak markets for most oil products and from new taxes. Moreover, import finance gains, on which refiners had been heavily dependent in the past, declined to Y74.2bn from Y115.2bn a year earlier, because of the sharp depreciation of the yen since the end of 1978. Refiners have suffered losses since the turn of the calendar year.

As a result, Maruzen Oil turned into an operating deficit of Y17.5bn compared with an operating profit of Y3.0bn a year earlier. Fuji Kosan had an operating deficit of Y3.2bn against a deficit of Y205m in 1977-78 and Toa Oil a deficit of Y3bn compared with a deficit of Y2.9bn.

Oil refiners raised prices on oil products, as from April 1, in order to cope with the OPEC decision to boost oil prices by 9.05 per cent and to allow OPEC members to add surcharges. Markups planned this month are expected to be accepted by major clients, such as the steel, coal and pulp industries.

Except for Toa Oil, the refiners expect operating profits for current fiscal year ending next March.

For the current year, however, Maruzen forecasts a return to operating profit, at a level of Y3bn, and Fuji Kosan foresees a profit of Y500m, while Toa Oil is looking for a reduction in deficit to Y1.5bn.

At the net profit level Fuji Kosan, having shown a deficit in 1978-79 of Y1.8bn, estimates that it will make a profit this year of Y500m. Toa Oil, which reported a net loss last year of Y560m, against a profit of Y104m the previous year, expects to break even in 1979-80.

JAPANESE OIL REFINERS RESULTS

	SALES			OPERATING PROFIT OR DEFICIT (−)			NET PROFIT OR DEFICIT (−)		
	Half-year to March	Change on previous half-year	Forecast charge in current half year	Half-year to March	Change on previous year	Forecast charge in current year	Year to March	Change on previous year	Forecast change on current year
	Ybn	%	%	Ybn	%	%	Ybn	%	%
Nippon Oil	1,611.9	−10.0	+11.6	9.5	−67.0	− 5.3	6.0	−58.0	−16.0
Maruzen Oil	879.8	−10.0	+16.0	−17.5	—	—	0.1	−68.0	+1,182.0
Mitsubishi	679.0	− 9.5	+20.0	5.3	−85.0	+11.0	8.0	−52.0	−62.0
Koa Oil	255.3	−18.0	+25.0	1.5	−82.0	+166.7	1.1	−59.0	+81.8
Fuji Kosan	152.4	− 5.0	+11.5	− 3.2	—	—	−1.8	—	—
General Oil	369.0	− 9.0	+14.0	0.7	−88.0	+354.5	1.2	−50.0	+25.0
Toa Oil	273.4	−14.0	+17.0	− 3.0	—	—	−0.6	—	—

Advance by Federale Voedsel

BY OUR JOHANNESBURG CORRESPONDENT

FEDERALE VOEDSEL, the diversified, 60 per cent food subsidiary of Sanlam's industrial arm, Federale Volksbeleggings, has declared a R15.5m ($18.3m) pre-tax profit for the 15 months to March 31. In annual terms this is 15 per cent better than the 1977 R10.7m figure.

Taxed profits were R10.1m, which amounts to a 6 per cent adjusted improvement on the 1977-78 figure of R7.6m.

The group has diversified out of the fishing industry, mainly through acquisitions.

This began with its takeover of Bechmalt, a wholesale subsidiary of its parent, and Ruto Milling, then SA's largest independent wheat and maize milling company, in June last year. With this base the group took over a number of smaller food companies such as the snack food producer, Simba-Quix and Boerstra, a bakery chain. These takeovers broadened the company's base and sales climbed to R253m from R116.4m.

The group does not believe that the disparity between sales and profit growth is the result of pressures on margins during the recessionary period from which South Africa has just emerged. Apart from this, the basic food market is notorious for its low margins—and on the wholesale side competition has become fierce, with Metro Cash and Carry opening up a new wholesale outlet every three weeks.

Diversification has meant dilution of earnings, because of 4m additional shares being in issue, having been used for acquisitions. Consequently earnings a share of 53.2c, against 49.5c, meant a 14 per cent decline on an annual basis. In line with this decline, a 12 cents final dividend was declared, for a 28c total payout for the 15 months, against the previous year's 26 cents.

The Bank of Tokyo, Ltd.
Negotiable Floating Rate U.S. Dollar Certificates of Deposit
Series D Maturity date
9 December 1980

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 7 June, 1979 to 7 December, 1979 the Certificates will carry an Interest Rate of 11⅛% per annum.

Agent Bank
The Chase Manhattan Bank, N.A., London

The Taiyo Kobe Bank Ltd.
Negotiable Floating Rate U.S. Dollar Certificates of Deposit
Series C—Maturity date
9 December 1980

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 7 June, 1979 to 7 December, 1979 the Certificates will carry an Interest Rate of 11⅛% per annum.

Agent Bank
The Chase Manhattan Bank, N.A., London

Weekly net asset value on June 5, 1979

Tokyo Pacific Holdings N.V.
U.S. $64.24

Tokyo Pacific Holdings (Seaboard) N.V.
U.S. $46.81

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson HV Herengracht 214, Amsterdam.

VONTOBEL EUROBOND INDICES
14.5.76 = 100%

PRICE INDEX	29 5 79	5 6 79	AVERAGE YIELD	29 5 79	5 6 79
DM Bonds	98.25	99.31	DM Bonds	7.477	7.411
HFL Bonds & Notes	97.44	96.87	HFL Bonds & Notes	8.811	8.923
U S $ Strt. Bonds	96.31	96.46	U S $ Strt. Bonds	9.491	9.467
Can. Dollar Bonds	96.64	96.84	Can. Dollar Bonds	9.928	9.860

This announcement appears as a matter of record only

HANIL SYNTHETIC FIBER INDUSTRIES COMPANY LIMITED

US $37,000,000
Medium Term Loan

Guaranteed by
KOREA DEVELOPMENT BANK

Managed by
LLOYDS BANK INTERNATIONAL LIMITED

Provided by
BANK OF MONTREAL
BANQUE NATIONALE DE PARIS
SEOUL BRANCH
LBI FINANCE (HONG KONG) LIMITED
THE SANWA BANK LIMITED
HONG KONG BRANCH
STANDARD CHARTERED BANK LIMITED

Agent Bank
LLOYDS BANK INTERNATIONAL LIMITED

A member of the Lloyds Bank Group

This announcement appears as a matter of record only

CEMIG

Centrais Elétricas de Minas Gerais S.A.

U.S. $50,000,000
Medium Term Credit

Provided by
LLOYDS BANK INTERNATIONAL LIMITED
CANADIAN IMPERIAL BANK OF COMMERCE
THE CHASE MANHATTAN BANK, N.A.
COMMERZBANK AKTIENGESELLSCHAFT
MIDLAND BANK LIMITED

Arranged in co-operation with
BANK OF LONDON & SOUTH AMERICA LIMITED
BRAZIL

Agent Bank
LLOYDS BANK INTERNATIONAL LIMITED

A member of the Lloyds Bank Group

Dow regains 2.4 more in heavy early trade

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—54% (52%)
Effective $2.0740—22½% (21½%)

IN HEAVY trading, Wall Street took Tuesday's good rally a stage further yesterday morning. The Dow Jones Industrial Average, up 9.44 the previous day, recorded a fresh improvement of 2.43 at 833.77 at 1 p.m. The NYSE All Common Index gained 26 cents more to $57.07, while rising issues outpaced falls by a two-to-one margin. Trading volume showed a further substantial increase to 26.47m shares from the 21.26m recorded at 1 p.m. on Tuesday.

Closing prices and market reports were not available for this edition.

Analysts said the market was still rallying basically on technical factors. They added that investors have been encouraged recently about the market's reluctance to fall through resistance levels in popular averages despite a wealth of unsettling news.

Furthermore, an analyst commented that investors are beginning to feel that interest rates may have peaked for the present.

Actively-traded **McDonnell Douglas** lost 2½ to $21½, while its competitor, **Boeing**, rose ½ to $40½. The U.S. Federal Aviation Administration yesterday ordered all U.S. DC-10's to be grounded following a Court order due to new cracks being discovered in recently-inspected planes.

Airlines flying DC-10's also suffered. **UAL** declined ½ to $25½, **Northwest** ½ to $28½ and **American** ½ to $11. UAL's United said its flights have been cut by 7 per cent because of the grounding.

In a statement, **McDonnell Douglas** said cracks found on *some DC-10's have involved only aircraft that may have* suffered from improper maintenance.

Oil-related stocks were higher. **General American Oil of Texas** advanced 1½ to $52½, **Atlantic Richfield** ½ to $65, **Smith International** $1 to $57, **Texas Eastern** 1½ to $44½, **Barber Oil** ½ to $34½, **Marathon Oil** 1½ to $76, **Sohio** $1 to $57½ and **Stanard Indiana** 1½ to $66½. Congressional leaders said they have agreed with President Carter on a new plan to cut U.S. dependence on foreign energy sources.

THE AMERICAN SE Market Value Index moved ahead 1.46 to 191.75 at 1 pm, also in very active trading. Volume 4.31m shares (3.78m).

Great Basins Petroleum were up 2½ at $10½, after an opening delay, on volume of over 579,000 shares. The company said directors have authorised the sale of most of its assets.

Canadian Superior Oil advanced $4 to $115½. Trading in the stock of its parent company, **Superior Oil**, was delayed due to an imbalance at a price of $402 on the NYSE.

Howell gained 1½ to $24½.

Canada

Markets showed renewed firmness in another early active business yesterday, with the Oils sector showing new found strength following Tuesday's *reaction on profit-taking.*

The Toronto Composite Index advanced 8.6 to 1,546.5 at midday, while the Oils and Gas index climbed 36.9 to 2,652.5. Golds *rose* 28.1 *to* 1,954.3 and Metals and Minerals 7.7 to 1,265.7. In Montreal, Utilities gained 1.61 to 236.01, but Banks shed 0.38 to 290.45.

Among Oils **Hudson Bay Oil** moved up 2½ to C$68½, while **Total Petroleum**, C$28½, and **Asamera Oil**, C$17½, both gained ½. **Dome Petroleum**, the most *active Toronto issue on 107,506* shares, added C$1 at C$47½.

On news of a record high London gold fixing, Gold issues rose, as **Dome Mines**, C$47½, and *Sigma* **Mines**, C$27½, added ½ apiece.

Tokyo

Market rebounded sharply yesterday after its broad retreat of the past two trading sessions. However, business was only moderate, with volume amounting to 300m shares (360m).

The Nikkei-Dow Jones Average recovered 51.69 to 6,175.65 and the Tokyo SE index regained 2.00 *to* 443.23.

Light Electricals, Pharmaceuticals, non-ferrous Metals and Precision Instruments moved ahead on "cheap" buying.

Matsushita Electric rose Y9 to Y691, **Fuji Photo Film** Y24 to Y605, **Sony** Y100 to Y2,070 and **Pioneer Electronic** Y140 to Y2,070.

Honda Motor strengthened Y37 to Y537 on market expectations that it will unveil a new energy-saving motorcycle engine soon.

Such low-priced stocks as medium-sized Steel Manufacturers and some segments of Machinery Makers gained ground, along with Shippings.

Coals were sharply higher on speculative demand, but Oils reacted on caution over their recent strong gains. **Showa Oil** lost Y35 to Y491 and **Mitsubishi Oil** Y28 to Y385.

Paris

Bargain-hunting following five consecutive weak sessions pushed share prices upwards across a wide front in relatively thin volume. The Bourse Industrials index rallied 0.5 to 77.2.

Brokers remarked that the decision by *French* banks to increase their basic lending rate to 9.15 per cent from 8.80 had not affected sentiment.

Apart from generally easier Chemicals, gains predominated in all sectors, with Foods especially favoured.

Roussel-Uclaf hardened FFr 5 to FFr 308 after announcing sharply higher net consolidated 1978 profits.

Moving strongly ahead were **Locabail**, which put on over 9 per cent, **Pechiney**, **Sade**, **Mumm**, **Carrefour**, **Peugeot-Citroen**, **Club Mediterranee**, **BHV**, **Moulinex**, **Bouygues**, **Legrand**, **Marine-Wendel** and **L'Oreal**.

Drifting lower against the general trend were **Bail Equipement**, **Cofimeg**, **CEM**, **Chiers**, **Lefebvre**, **Bellon**.

Germany

Shares tended to lose more ground in listless trading, further depressed by fears of fresh oil prices rises and expectations of higher yields in the Bond market. The Commerzbank index eased 1.8 more to 726.7, another low for the year.

Reports that oil prices could take another steep rise were evidently behind further sharp falls in Motor shares. **BMW** receded DM 5.00, while **Daimler** and **Volkswagen** each lost DM 3.50. The Motor sector's nervous reaction to oil price rumours has overshadowed optimistic outlook reports by all three major West German Motor Manufacturers recently, as well as promises that new technical developments would keep ahead of any oil squeeze.

Thin trading left other marked declines. Among Machine Manufacturers, **Linde** receded DM 10.50 to DM 256.50. Brokers said around 1,300 shares were offered in a market with very few buyers. There was not any bad news about the company to cause the fall.

Deutsche Bank shed DM 1.00 and **Siemens**, in Electricals, DM 2.00, but **Stores** were inclined to recover a little after the previous day's fall, with **Horten** gaining DM 1.50.

Lufthansa eased 30 pfennigs, with reports that the airline's DC-10 aircraft would be grounded by German authorities coming *after the close of trading.*

Public Authority Bonds registered fresh losses ranging to 80 pfennigs, while the Bundesbank bought DM 6m nominal of paper after buying DM 2.1m on Tuesday. The new Federal Loan met mixed interest. Mark-denominated Foreign Loans were somewhat weaker.

Australia

Another fairly quiet day for Australian markets left Industrials closing on a mixed note again. The Minings sector, however, was in brighter mood, responding to higher international metal prices.

Among Gold shares, **Central Norseman** gained A$1.00 to A$27.50, **GMK** 10 cents to A$1.42 and **Poseidon** 3 cents to 86 cents, while firmer Copper stocks included **MIM**, up 9 cents at A$3.19, and **Bougainville**, 5 cents harder at A$1.95.

Western Mining moved ahead 10 cents to A$2.38, while **Jimberlana Minerals** were also notably higher with a rise of 8 cents at A$1.65.

Comalco advanced 8 cents to A$3.50 on support generated by the Alcan strike in Canada.

A mixed Coals group was featured by **Coal and Allied**, which climbed 22 cents to A$6.12.

Among Industrials, **BHP** picked up 4 cents to A$9.38, while **CSR** added 7 cents at A$4.00, but **News** shed 5 cents to A$2.80.

Bank NSW declined 4 cents to A$3.68, but **ANZ** put on 5 cents to A$4.68.

Hong Kong

After further improving at the outset, the market slipped back to leave stocks finishing on a mixed note after quiet trading.

Hutchison Whampoa lost 2½ cents to HK$4.525, **Swire Pacific** "A" 5 cents to HK$8.35, **Wheelock** "A" 5 cents to HK$3.45, **China Light** 10 cents to HK$21.60 and **Hong Kong Hotels** 20 cents to HK$17.80. In contrast, **Jardine Matheson** gained 10 cents to HK$11.90, **Cheung Kong** 10 cents to HK$10.70 and **Sime Darby** 10 cents to HK$8.00.

Johannesburg

Gold shares generally gained further ground on record high bullion indications in fairly active trading. Trading was mostly on local account with Overseas demand inhibited by the high Financial Rand.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
♦ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. *a* Florins. *b* Schillings. *c* Cents. *d* Dividend after pending rights and/or scrip issue. *e* Per share. *f* Francs. *g* Gross div. %. *h* Assumed dividend after scrip and/or rights issue. *k* After local taxes. *m* % tax free. *n* Francs including Unilac div. *p* Nom. *q* Share split. *s* Div. and yield exclude special payment. *t* Indicated div. *u* Unofficial trading. *v* Minority holders only. *y* Merger pending. * Asked. † Bid. § Traded. ‡ Seller. *z* Assumed. *xr* Ex rights. *xd* Ex dividend. *xc* Ex scrip issue. *xa* Ex all. Δ Interim since increased.

Indices

NEW YORK—DOW JONES

	June 5	June 4	June 1	May 31	May 30	May 29	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
◆ Industr'ls	831.34	821.90	821.21	822.35	822.16	832.55	878.72 (10/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.38	84.21	84.38	84.45	84.47	84.58	85.98 (2/2)	82.32 (8/5)	—	—
Transport.	236.61	234.51	233.10	233.15	232.92	234.27	258.61 (5/6)	206.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	102.47	102.20	101.85	101.88	101.78	101.59	104.94 (5/4)	98.51 (16/3)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	35,030	24,080	24,530	30,390	29,420	27,180	—	—	—	—

◆ Day's high 834.46 low 820.25

	June 1	May 25	May 18	Year ago (approx)
Ind. div. yield %	6.16	6.01	5.96	5.50

STANDARD AND POORS

	June 5	June 4	June 1	May 31	May 30	May 29	1979 High	1979 Low	Since Cmpil'n High	Since Cmpil'n Low
‡Indust'ls	111.96	110.40	110.25	110.18	110.25	111.35	116.69 (9/1)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
‡Composite	100.62	99.32	99.17	99.08	99.11	100.05	103.34 (10/4)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	May 30	May 23	May 16	Year ago (approx)
Ind. div. yield %	5.38	5.32	5.38	5.01
Ind. P/E Ratio	8.38	8.45	7.98	9.29
Long Gov. Bond Yield	8.98	9.05	9.18	8.51

N.Y.S.E. ALL COMMON

June 5	June 4	June 1	May 31	1979 High	1979 Low
56.81	56.13	56.03	55.99	58.18 (10/4)	53.88 (27/2)

Rises and Falls

	June 5	June 4	June 1
Issues Traded	1,917	1,880	1,881
Rises	1,084	729	741
Falls	407	713	647
Unchanged	426	438	493
New Highs	73	39	40
New Lows	22	25	24

MONTREAL

	June 5	June 4	June 1	May 31	1979 High	1979 Low
Industrial	262.81	262.41	258.80	256.05	282.81 (5/6)	219.19 (2/1)
Combined	261.41	261.58	256.75	257.38	261.58 (4/6)	226.30 (2/1)
TORONTO Composite	1557.8	1558.3	1527.6	1519.7	1558.3 (4/6)	1315.0 (2/1)
JOHANNESBURG Gold	289.2	289.8	282.0	(c)	295.4 (23/5)	228.4 (12/4)
Industrial	315.2	316.1	319.5	(c)	360.0 (23/5)	270.5 (2/1)

BASE LENDING RATES

A.B.N. Bank	12 %	■ Hambros Bank	12 %
Allied Irish Banks Ltd.	12 %	■ Hill Samuel	§12 %
Amro Bank	12 %	C. Hoare & Co.	†12 %
American Express Bk.	12 %	Julian S. Hodge	13 %
A P Bank Ltd.	12 %	Hongkong & Shanghai	12 %
Henry Ansbacher	12 %	Industrial Bk. of Scot.	12 %
Associates Cap. Corp.	13 %	Keyser Ullmann	12 %
Banco de Bilbao	12 %	Knowsley & Co. Ltd.	13½%
Bank of Credit & Cmce.	12 %	Lloyds Bank	12 %
Bank of Cyprus	12 %	London Mercantile	12 %
Bank of N.S.W.	12 %	Edward Manson & Co.	13 %
Banque Belge Ltd.	12 %	Midland Bank	12 %
Banque du Rhone et de la Tamise S.A.	12½%	■ Samuel Montague	12 %
Barclays Bank	12 %	■ Morgan Grenfell	12 %
Bremar Holdings Ltd.	13 %	National Westminster	12 %
Brit. Bank of Mid. East	12 %	Norwich General Trust	12 %
■ Brown Shipley	12 %	P. S. Refson & Co.	12 %
Canada Perm't Trust	12 %	Rossminster	12 %
Cayzer Ltd	12 %	Ryl. Bk. Canada (Ldn.)	12 %
Cedar Holdings	12 %	Schlesinger Limited	12 %
■ Charterhouse Japhet	12 %	E. S. Schwab	13 %
Choulartons	12 %	Security Trust Co. Ltd.	13 %
C. E. Coates	12 %	Shenley Trust	14 %
Consolidated Credits	12 %	Standard Chartered	12 %
Co-operative Bank	12 %	Trade Dev. Bank	12 %
Corinthian Secs.	12 %	Trustee Savings Bank	12 %
Credit Lyonnais	12 %	Twentieth Century Bk.	13 %
The Cyprus Popular Bk.	12 %	United Bank of Kuwait	12 %
Duncan Lawrie	12 %	Whiteaway Laidlaw	12½%
Eagil Trust	12 %	Williams & Glyn's	12 %
English Transcont.	12 %	Yorkshire Bank	12 %
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	12 %		
Greyhound Guaranty	12 %		
Grindlays Bank	‡12 %		
■ Guinness Mahon	12 %		

■ Members of the Accepting Houses Committee
• 7-day deposits 9½%, 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 10%, and over £25,000 10¼%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

EUROPEAN OPTIONS EXCHANGE

Series			July Vol.	July Last	Oct. Vol.	Oct. Last	Jan Vol.	Jan Last	Stock
AKZ	C	F.25	3	4	—	—	—	—	F.28.60
AKZ	C	F.30	25	0.70	60	1.50	—	—	"
AKZ	C	F.32.50	—	—	8	0.70	—	—	"
AKZ	P	F.30	—	—	24	1.80	—	—	"
AKZ	P	F.32.50	—	—	50	3.50	—	—	"
ARB	C	F.70	—	—	—	—	3	4.20	F.70.10
HO	C	F.30	6	1.60	—	—	—	—	F.30.90
HO	C	F.32.50	—	—	45	1.90	13	2.20	"
HO	C	F.35	4	0.30	—	—	—	—	"
IBM	C	$75	5	4½	—	—	—	—	$78
IBM	C	$80	4	1⅜	8	3½	—	—	"
KLM	C	F.100	48	5.50	24	8.70	3	10.60	F.102.80
KLM	C	F.110	96	1.70	152	5.80	2	6.30	"
KLM	C	F.120	[illegible]	0.60	21	1.90	—	—	"
KLM	C	F.130	—	—	1	0.70	—	—	"
KLM	P	F.100	73	2.50	14	4.50	—	—	"
KLM	P	F.110	67	7.50	11	8.90	—	—	"
KLM	P	F.120	6	17	—	—	—	—	"
NN	C	F.110	—	—	2	2.50	—	—	F.105.30
PET	C	Fr.4600	5	350	5	420	11	480	Fr.4870
PHI	C	F.22.50	—	—	20	2.70	—	—	F.24.10
PHI	C	F.25	59	0.60	75	1.30	65	1.80	"
PHI	C	F.27.50	—	—	80	0.50	14	0.80	"
PHI	P	F.27.50	—	—	40	3.30	—	—	"
PRD	C	$30	—	—	10	3¼	—	—	$30⅝
PSA	C	F.340	—	—	[illegible]	5.80	—	—	F.320
PSA	C	F.360	—	—	—	—	2	6	—
RD	C	F.120	10	24	—	—	—	—	F143.10
RD	C	F.130	20	14	2	14	—	—	"
RD	C	F.135	6	9.50	12	9.80	—	—	"
RD	C	F.140	37	4.80	198	6.30	130	7.50	"
RD	C	F.145	175	1.40	—	—	17	4.40	"
RD	P	F.145	—	—	—	—	1	6.80	"
UM	C	Fr.900	—	—	10	25	—	—	Fr.870
UNI	C	F.120	2	3.30	—	—	—	—	F.123.40
UNI	C	F.125	10	1.70	—	—	—	—	"
UNI	C	F.130	—	—	8	1.10	—	—	"
XON	C	$50	—	—	10	3	—	—	$51⅛
XRX	C	$60	—	—	20	4½	—	—	$61
			Aug.		Nov.		Feb.		
BAZ	C	$45	—	—	5	1½	—	—	$40½

TOTAL VOLUME IN CONTRACTS 1829

C=Call P=Put

† Bid. ‡ Asked. § Traded. ‖ New stock.

Coffee upsurge falters

By Our Commodities Staff

HE London coffee market arked time yesterday as aders awaited further news of st week's Brazilian frost mage.

Speculative buying boosted e September quotation to ,900 a tonne at one stage llowing a statement by Octavio Rainho, president the Brazilian Coffee Institute BC), that 1bn out of Brazil's ibn coffee trees had been 'eeted by the frost.

But the IBC chief did not y how severely the threes had en affected and most dealers it this news did not justify y further boost in prices iich had already risen by out £370 a tonne since the ist struck.

The advance was quickly ped out and September coffee pped to £1,855 a tonne before ding the day £2 higher on lance at £1,857.5 a tonne.

The market remains very rvous, however, as the frost k is persisting.

In the southern non-coffee- owing state of Rio Grande do l, a mid-day temperature of nus 3 degrees Centigrade was ported yesterday.

If this cold weather moves rth it could carry further frost o the coffee plantations of rana and Sao Paulo, and per- ps even Minas Gerais, the sub- pical state where last week's ak frost did most damage.

The London cocoa market was o quiet yesterday despite ntinuing uncertainty over the litical situation in Ghana lowing this week's coup. The ptember futures price ended 5 lower at £1,728.5 a tonne.

Big Pakistan wheat crop expected

SLAMABAD — Pakistan is pecting a large wheat crop s year following last year's r harvest.

Wheat production should al 9.913m tonnes, against a get of 9.5m, a 19 per cent over the 8.33m tonnes pro- ced last year when Pakistan l to import 2.25m tonnes.

USSR purchases of U.S. in may reach between 13m 15m tonnes this year the Agriculture Department announced.

SDA said wheat shipments e not expected greatly to eed 3m tonnes; but that y shipments should be more 10m tonnes.

ter

New records in lead market

BY CHRISTOPHER PARKES

THE CASH and three months quotations for lead continued their recent surge on the London Metal Exchange yesterday and closed at new peaks. Main pressures were strong demand for the metal from the USSR which also fuelled speculators' interest in the market.

The price of cash lead has risen £46 a tonne so far this week, closing last night at £683 a tonne, up £14 on the day.

The three months quotation, up £41.5 on the week, gained £18.5 yesterday to close at £625.75.

Traders were surprised by the continued vigour of the market given that demand for lead usually slackens towards the summer as the main consumers in the battery industry reduce production.

But supplies are growing scarcer, and the Russians are still reported to be active. One dealer suggested the USSR had been "caught napping" by the unexpected strength of demand in its own motor industry.

The attractions of the lead trade tended to eclipse the other metal markets where more moderate price changes predominated in routine dealings.

Aluminium remained firm, however, on the strikes in three of Alcan's smelters in Quebec which account for some 60 per cent of the company's Canadian output. Three months metal was £8 up, closing at £788.5 a tonne.

Some of Tuesday's heavy gains in the nickel market were pared back yesterday and the three months quotation closed £65 lower at £3,420.

● Texasgulf has introduced a new copper pricing system for U.S. and Canadian customers, and the company has stopped publishing copper price changes because announcements have "become impracticable."

A buyer may now choose between the average Texasgulf price for copper in the month before scheduled delivery and the average price in the delivery month.

Big rubber price rise forecast

BY RICHARD MOONEY

NATURAL RUBBER prices may rise by up to 50 per cent in the second half of this year, a London trade house said yesterday.

ContiCommodity, a subsidiary of Continental Grain Company of the U.S., forecast in its latest rubber newsletter that world consumption this year would be about 3.85m tonnes compared with production of 3.735m. This would cut total stocks to 1.335m tonnes, the lowest level since 1968.

And it predicted that tight petroleum supplies would limit synthetic rubber production leading to a spill-over of demand into the natural rubber market.

"Both fundamentally and technically, we see grounds for at least another 25-50 per cent rise in natural rubber prices," the newsletter said.

Although the reduced production "wintering" season is coming to an end, recovering production should be well absorbed by consumers who have purposely run-down their stocks in anticipation of increased output, it added.

The two per cent production shortfall predicted by Contin for this year would be the third successive substantial deficit.

The newsletter attributes this trend to three principal factors: a long period of western world economic expansion; increased Soviet and Chinese imports; and the substitution of rubber trees by more profitable palm oil and cocoa crops in producing countries.

On the projected spill-over of demand from the synthetic market Conti explained that synthetic and natural rubber substitute for one another under certain technical and price conditions. And since the synthetic market is over twice the size of the natural rubber market even a 0.5 per cent shift of demand from the former to the latter would result in a 50,000 tonnes additions to the natural rubber deficit.

Rising costs and developing shortages of petroleum feedstocks are already forcing synthetic prices sharply higher and creating fears of reduced supplies, the newsletter said.

Abattoirs face closure

By Our Commodities Staff

ABOUT A quarter of Britain's slaughterhouses will be shut down in the next three years or so because they will be either unable or unwilling to afford necessary modernisation, including improvements in health standards and effluent control, according to a study published today.

More than 400 of the 1,600 abattoirs in business in 1975 face shutdown.

The whole face of the butchery business is changing, the report says. Slaughtering, once a simple "service" to the meat trade at large, is rapidly evolving into "meat fabrication."

Livestock slaughtering in Britain: A changing industry. £3 + 22p inland postage. Publications, Centre for European Agricultural Studies, Wye College, Ashford, Kent.

Beef dearer

AVERAGE retail prices of beef and lamb have risen sharply again this week, the Meat and Livestock Commission reported.

Best cuts of beef are up as much as 5p a pound, and home-produced lamb is about 3p dearer. Prices of pork and New Zealand lamb are largely unchanged.

Copra come-back

COPRA, which has lost ground in world oilseeds markets to soya and other crops, could make a significant come-back by the end of next year, a conference in Amsterdam was told yesterday.

The president of the International Association of Seed Crushers, Mr. J. E. Randag, said heavy planting of high-yield coconut trees was planned in the Philippines.

Sugar exports

THE EUROPEAN Commission issued export licences for 35,800 tonnes of white sugar at its weekly tender yesterday, setting the maximum export subsidy at 29.571 European currency units per 100 kilos.

It also authorised exports of 10,000 tonnes of raws from the UK with a rebate of 26.601 ecu.

Last week raws authorisations totalled 39,550 tonnes with a top rate subsidy of 29.989 ecu.

CHINESE RAW MATERIALS

Grain targets seem over-ambitious

BY KEVIN RAFFERTY

CHINA WILL continue to import 10m tonnes of grain each year at least until 1980 in spite of the Government's ambitious plans to lift annual home production to 400m tonnes by 1985. This is one of the key findings of a series of studies of China just published by the U.S. Central Intelligence Agency.

The agency also thinks it unlikely that the 400m-tonne target will be met unless there is "an unlikely coincidence of favourable conditions." It adds: "To reach the goal, the high-priority political and economic commitment of the regime to the agricultural sector must be maintained: every aspect of the development programme—fertiliser, irrigation, mechanisation and seed research—must proceed on or ahead of schedule; and good weather will be required."

Record

If China's grain production follows the historical pattern, then by 1985 production would reach 354m tonnes.

In 1978 production reached a record of 295m tonnes, according to the CIA, largely accepting China's own estimates of crop increases. Other American sources, notably the Department of Agriculture, give lower figures, some as low as 240m tonnes. The difficulty of reaching a standard is complicated because of the variety of grain that China produces. The 295m-tonne figure, for example, includes soyabean equivalent.

Even with the record 1978 crop, China's imports also reached record figures, totalling 9.4m tonnes says the CIA, or as much as 13m tonnes according to other sources.

The reasons for the rapid increase in imports include the difficulties of internal transport, especially in getting grain to the big cities of the north, and expectations of better living standards. During the recently relaxed political climate there was a demonstration in Biejing (Peking) of peasants "from all over China." Among the main complaints was that "there is not enough food to eat."

Figures the CIA has collected from refugees and travellers suggest that the average Chinese gets hardly enough food to sustain productive efficiency according to the International Vegetarian Society, 2,000 calories and 60 grams of protein per person per day are enough to maintain a healthy life if the food contains enough sources of alkaline elements such as green vegetables—which the Chinese diet does.

Chinese are slightly on the unhealthy side of the margin.

CHINESE GRAIN OUTPUT AND IMPORTS (in million tonnes)

Year	Output	Imports
1965	194	5.9
1970	243	4.6
1971	246	3.1
1972	240	4.6
1973	266	7.6
1974	275	6.8
1975	284	3.5
1976	285	2.0
1977	286	6.9
1978	295	9.4
1985*	400	
1985†	354	

* Target.
† Historical projection.

The daily diet allows 1,936 calories a day and 45.1 grams of protein. Such figures also mean the Chinese are worse off than other Asians except Bangladeshis if UN Food and Agriculture Organisation consumption estimates are accepted, though such figures are often of grain availability rather than consumption.

Where the ordinary Chinese does have an advantage over other Asians is that because of strict rationing of essential commodities he is more likely to receive the average amount of food. Elsewhere in Asia it is common to see overeating by some alongside extreme malnourishment.

In spite of China's great strides, including nearly tripling of grain production since the Communists took over in 1949, agriculture remains a drag on the economy, is a mixture of modern and pre-modern, employs 70 per cent of the population, and is highly vulnerable to fluctuations in the weather.

Great scope

In these circumstances there is great scope for improvement of agriculture and grain output. Rice yields are 3.5 tonnes per hectare, about the same as they were in Taiwan and South Korea in the mid-1960s. Average wheat yields are about 1.4 tonnes. In both crops increases of 50 per cent should be easily within the bounds of possibility.

What the CIA studies doubt is that it will be so easy to switch and modernise so quickly. China has produced brave plans to achieve basic mechanisation of agriculture by 1980. One official defined this as replacing with machines 70 per cent of the manpower employed in major farm operations. But the Government will have to face the very obvious shortcomings in use of machines. Poor machine quality, lack of standardisation and the limited range of equipment and accessories are the very reasons why communes and production brigades have been reluctant to invest.

Search on for new mineral deposits

PEKING — Vast mineral deposits were found in China between 1949 and 1977, but by 1990 the country's requirements will be greater than total deposits located during that period, Sun Daguang, director of the State Geological Bureau, said here.

However, the bureau was confident of finding new deposits, he said.

"We have guaranteed sources for the major projects scheduled to be completed by 1985, with the exception of very few minerals. Today our main energies are being directed to finding minerals to supply projects to be started after 1985," he said.

Sun said traces of the world's 140 industrial minerals have been found in China, with known deposits of all but 10.

Deposits of 17 minerals, including wolfram, antimony, tin, coal, iron, copper, sulphur, phosphorus and petroleum, are among the largest in the world.

Asked about reports of shortages of chromium and nickel, Sun said China had enough nickel for its own use, but the supply of chromium was still insufficient. However, several big deposits of high-grade chromium have been discovered on the Qinghai-Tibet plateau, while there were also promising fields elsewhere.

Sun said reserves or iron, coal, platinum, copper, manganese, phosphorus and pyrite located last year were greater than those found in 1977.

Considerable deposits of 17 minerals not included in the state prospecting plan, such as rutile and fluorite, were also uncovered, he said.

Nearly 100 new thick deposits of ores, including iron, were found in Yunnan and Qinghai, volcanic-type reserves of copper, lead and zinc were found for the first time in Sichuan. Fine quality bauxite was discovered in Guangxi region, and the largest silver lode ever found in China was located in Henan Province.

Other finds included platinum in Yunnan, a large copper deposit in Tibet and another copper deposit estimated at 8m tonnes in Jiangxi.

Lead and zinc resources in western Yunnan, expected to exceed 10m tonnes, will soon be exploited, Sun said.

An aeromagnetic survey started in 1975 covering the Yellow, East China and South China Seas was completed last year, giving data on the geological structure of offshore areas and on the prospects for natural gas and undersea oil, he added.

Sun said China would import modern equipment for exploiting its mineral resources and also engage in joint studies with foreign geologists. Bilateral agreements will be signed soon with France and West Germany, while co-operation will also be further developed with the U.S., Canada, Australia and Japan. Preparations are under way for a joint Chinese-Frnech study in the area of the Himalayas.
Reuter

Old copper railway to run again

THE 122-year-old railway line at Morwellham Quay, near Tavistock, Devon, is to be rebuilt with the help of a £13,000 Government grant. It will employ eight men for 25 weeks.

It used to transport copper from what was once the largest copper mine in Europe. It was closed in 1901. It will be rebuilt by the Morwellham Recreation Company, formed in 1970 as a Conservation Year charity.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Easier on the London Metal Exchange. Forward metal opened at £890 and moved up to £893 due to the initial rise in silver and However, a downturn in the coupled with a lower than expected opening on Comex saw the fall away to the mid-£880s prior to close on the late kerb of £887.

£895, 96, 96.5, 97, 96.5, 96, 95, 93.5, 94, 94.5, 94. Cathodes, cash £856, three months £878. Kerb: Wirebars, three months £893. Afternoon: Wirebars, three months £894, 93, 92, 91, 90.5, 88, 87, 88, 87, 88, 87, 87.5, 87, 87.5. Cathodes, cash £851, three months £872. Kerb: Wirebars, three months £887, 88, 86, 85.5, 86, 87, 88, 89, 90, 91.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	882-.5	—9	875-6	—5.75
3 months	893-.5	—4.25	887-.5	—7.5
Settlem't	882.5	—2	—	......
Cathodes				
Cash	856-7	—8	850-1	—7.5
3 months	877-8	—8	871-2	—8
Settlem't	857	—8	—	......
U.S. Smt.	—	......	*81.50-3.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £883, 82.5, three months

70, 80, three months £7,180, 60, 50, 40, 60. Afternoon: Standard, three months £7,160, 55, 60. Kerb: Standard, three months £7,170, 65, 70.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7470-5	—70	7500-20	+10
3 months	7150-60	+7.5	7170-90	+10
Settlem't	7475	—75	—	......
Standard				
Cash	7470-80	—8.25	7500-20	+20
3 months	7150-60	+12.5	7160-70	—5
Settlem't	7480	—60	—	......
Straits. E.	‡$1981	......	—	......
New York	—	......	—	......

Morning: Standard, cash £7,430, 40,

LEAD—Record levels were attained by both cash and forward metal following renewed speculative and chartist buying accompanied by reported Soviet demand which lifted forward metal to a peak £634 on the late kerb. Turnover 9,475 tonnes.

[illegible]

ZINC—Moved ahead in line with lead. Forward metal moved up steadily to close the late kerb at £380. Turnover 4,450 tonnes.

[illegible]

ALUMINIUM—Higher following covering against physical business coupled with fresh speculative buying which pushed forward metal up from £783 on the pre-market to £789 on the late kerb. Turnover 7,750 tonnes.

[illegible]

NICKEL—Lower owing to profit-taking which pared forward metal from £3,500 to £3,370 prior to a close on the late kerb of £3,390. Turnover 540 tonnes.

[illegible]

* Cents per pound. † On previous unofficial close.

SILVER

Silver was fixed 7.55p an ounce higher for spot delivery in the London bullion market yesterday at 415.6p. U.S. cent equivalents of the fixing levels were: spot 863.6c, up 14.4c; three-month 883.7c, up 14.5c; six-month 900.8c, up 10.7c; and 12-month 935.7c, up 15.6c. The metal opened at 413½-414½p (860-862c) and closed at 411½-412½p (853-855c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	415.6p	+7.55	411.65p	—2.5
3 months	426.7p	+7.60	423.05p	—2.2
6 months	436.2p	+7.80	—	
12 months	455.7p	+8.1	—	

LME—Turnover 200 (267) lots of 10,000 ozs. Morning: Three months 427.5, 7.7, 7.8, 28, 27.8, 7.7, 7.5, 7.3, 7.5. Kerbs: Three months 427.5, 7.8, 28. Afternoon: Three months 423.5, 3.3, 23, 23.5, 22, 23, 2.8, 2.6, 23.5, 23, 22.7. Kerbs: Three months 423.8, 24, 4.2, 4.8, 4.5, 25.

COTTON

LIVERPOOL—Spot and shipment sales in Liverpool amounted to 11 tonnes, bringing the total for the week so far to 11 tonnes. Minor transactions were mentioned, the call for supplies being limited. Only small purchases were made in African and Latin American styles.

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

89.67, nil (89.67, nil). Grain Sorghum: 98.10 nil (98.10, nil). Flour Levies: Wheat or Mixed Wheat and Rye Flour: 148.06 (148.00). Rye Flour: 157.49 (157.49).

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

Index Limited. 01-351 3466. Three month Lead 631-638
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1. Tax-free trading on commodity futures.
2. The commodity futures market for the small investor.

CORAL INDEX: Close 516-521

INSURANCE BASE RATES

† Property Growth	11¼%
† Vanbrugh Guaranteed	10.87%

† Address shown under Insurance and Property Bond Table.

SOUTH EASTERN ELECTRICITY BOARD
REVISION OF TARIFFS

Pursuant to Section 37 of the Electricity Act 1947 as amended by Section 14 of the Electricity Act 1957, the Board hereby gives notice that it has fixed the following tariffs which have been permitted by Variation Notice dated 17th May 1979 issued by the Price Commission under Sections 4(5) and (6) of the Price Commission Act 1977:

i. Standard Domestic Tariff
ii. Economy 7 Domestic Tariff
iii. White Meter Domestic Tariff
iv. Flat Rate Tariff
v. Off Peak Tariff

The new tariffs shall have effect from the dates of the first normal meter readings taken after 31st May 1979 whereupon the corresponding present tariffs listed below shall cease to have effect:

i. Domestic Two Part Tariff
ii. Domestic White Meter Economy 7 Tariff
iii. Domestic White Meter Tariff
iv. Flat Rate Tariff
v. Off Peak Tariff

Copies of the new tariffs will shortly be available in all Seeboard shops and offices.

D. A. GREEN,
Secretary.

329 Portland Road,
Hove, East Sussex,
BN3 2LS
May 1979

SEEBOARD

SOUTH EASTERN ELECTRICITY BOARD
Maximum Charges for Resale of Electricity

Pursuant to Section 29 of the Electricity Act 1957 the Board hereby gives notice fixing maximum charges in consideration of which electricity supplied by the Board may be resold by persons to whom it is so supplied as follows:

On and after the 1st June 1979 the maximum charge at which electricity supplied to any person by the South Eastern Electricity Board (whether Supplied on the Board's Standard Domestic Tariff or otherwise) may be resold by such person for use by some other person for domestic purposes in all types of accommodation, shall be a charge of 3.34p per unit, with the addition of a charge of not more than 3.6p per day while the supply is made available to that person.

D. A. GREEN,
Secretary.

329 Portland Road,
Hove, East Sussex,
BN3 2LS
May 1979

SEEBOARD

PRICE CHANGES

In tonnes unless otherwise stated.

	June 6 1979	+ or —	Month ago
Metals			
Aluminium	£710/30	......	£710
Free Mkt (cs)	$1595/615	......	$1,580/90
Copper			
Cash w'bar	£875.5	—5.75	£948.35
3 mth	£887.25	—7.5	£958
Cash Cathode	£850.5	—7.5	£937.5
3 mth	£871.5	—8.0	£946.75
Gold troy oz	$278.875	—0.25	$247.625
Lead cash	£683	+14.0	£574
3 mth	£625.75	+18.5	£537.25
Nickel	£3117.62	......	£2,728.75
Freemkt(cif)(lb)	520/60c	......	280/310c
Platin'm'tr'y oz	£171	......	£171
Free mkt	£205.5	—5.35	£200.60
Quicksil'ver	$330/40	—5.0	$290/300
Silver troy oz	415.6p	+7.55	392.4p
3 months	426.7p	+7.60	409.9p
Tin cash	£7,510	+20.0	£7,595
3 mths	£7,165	—5.0	£7,167.5
Tungsten	$137.52	......	$135
Wolfrm 22.04 cif	$141/47	......	$139/43
Zinc cash	£356.75	+4.25	£384
3 months	£377.75	+4.0	£395.75
Producers	$846	......	$800
Oils			
Coconut (Phil)	$1,080t	+20.0	$1,120
Groundnut	‡		‡
Linseed Crude	£385	......	£404
Palm Malayan	$654.5p	—2.5	$654.5
Seeds			
Copra Philip	$712.5x	......	$730
Soyabean (U.S.)	$309.3r	—1.2	$301.5
Grains			
Barley Futures	£89.6y	+0.25	£87.8
Maize			
French No 3 Am	£110.75	—0.50	£111.5
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	‡
Eng. Milling †	£107.5u	......	£104.5
Other commodities			
Cocoa ship't	£1,790	—15.0	£1,673.5
Future Sept.	£1,728.5	—3.5	£1,603.5
CoffeeF't'rSep	£1,875.5	+2.0	£1,550.5
Cotton A'index	74.9c	—0.10	75.35c
Rubber kilo	64.25p	+0.5	59.25p
Sugar (Raw)	£101	......	£98
Wooltp's 64s kl	279p	......	283p

* Nominal. † New crop. ‡ Unquoted. p August. r July. s July-Aug. t June-July. u June. w Sept. y Nov. x Per ton. z Indicator. § Buyer.

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

Hoggets: English 50.0 to 64.0, Scotch 50.0 to 64.0.

Pork: English, under 100 lbs 34.5 to 44.0, 100-120 lbs 34.5 to 42.5, 120-160 lbs 34.0 to 41.5.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Oranges—Israeli: Valencia Lates 4.40-5.50; Cyprus 5.00-5.80; Brazilian: 4.30-5.00; S. African: Navels 4.20-5.40. Lemons— [illegible]

Delicious per box 8.00-10.00; French: Golden Delicious 72's 2.30-2.50, 84 2.20-2.30, jumble pack per pound 0.08-0.10; Italian: Golden Delicious per pound 0.07-0.10, Rome Beauty 0.07; Dutch: Golden Delicious jumble pack 22 lb 1.40-1.50. Pears—S. African: Cartons Beurre Bosc 6.80-7.00, Packhams 8.50, Nelis 6.80. Bananas—Jamaican: Per 26 lb 4.20-4.40.

English produce: Potatoes—New crop [illegible]

AMERICAN MARKETS

NEW YORK, June 6.

Cocoa—July 153.40 (154.80), Sept. 156.60 (157.85), Dec. 159.40, March 160.45, May 161.65, July 162.65, Sept. nil.

Copper—June 79.10 (80.40), July 79.50 (80.80), Aug. 80.05, Sept. 80.60, Dec. 81.70, Jan. 81.90, March 82.40, May 82.70, July 82.95, Sept. 83.20, Dec. [illegible]

Soyabean Oil — July 25.95-26.00 (25.67), Aug. 26.10-26.05 (25.83), Sept. 26.10-26.15, Oct. 26.10-26.05, Dec. 26.00-26.05, Jan. 26.05, March 26.10-26.15, May 26.15-26.20, July 26.20, Aug. 26.15-26.20.

‡Wheat—July 385½-388 (373¼), Sept. 390½-390 (378¼), Dec. 401-402½, March 409, May 409, July 403.

[illegible]

EUROPEAN MARKETS

ROTTERDAM, June 6.

U.S. No. 2 Dark Hard Winter wheat, 13.5 per cent, July $177. U.S. Hard Winter wheat, ordinary, unquoted. U.S. No. 2 Red Winter wheat June $168, July $165, Aug. $166, Sept. $168, Oct. $171. U.S. No. 2 Northern Spring wheat, 14 per cent, June $169, July $169.50, Aug. $169.50, Sept. $170.50, Oct. $174.50, Nov. $177.50.

Maize—U.S. No. 3 Corn Yellow afloat $135, June $132.75, July/Sept. $135.25, Oct./Dec. $136.50, Jan./March $142 sellers, Jan./March $141 traded.

Sorghum—U.S./Plate afloat $118.50, spot $123, June $121.50, July $124, Aug. $128.

PARIS, June 6.

Cocoa (FFr per 100 kg)—July 1,540-1,590, Sept. 1,583.5-1,584.5, Dec. 1,614-1,619, March 1,615-1,640, May 1,620-1,640, July 1,625 bid. Sales at call, one. Accumulative total 37.

Sugar (FFr per 100 kg)—July 970-980, Aug. 991-992, Oct. 1,030-1,031, Nov. 1,025-1,035, Dec. 1,050-1,060, March 1,082-1,092, May 1,100-1,112, July 1,115-1,130. Sales at call, 16.

INDICES

FINANCIAL TIMES

June 5	June 4	M'nth ago	Year ago
290.14	291.02	274.00	252.72

(Base: July 1, 1952=100)

MOODY'S

June 5	June 4	M'nth ago	Year ago
1071.8	1070.1	1063.9	925.5

(December 31, 1931=100)

DOW JONES

Dow Jones	June 5	June 4	Month ago	Year ago
Spot	409.16	406.51	392.73	359.23
F'tur's	408.99	407.13	394.73	357.48

(Average 1924-25-26=100)

REUTERS

June 6	June 5	M'nth ago	Year ago
1583.3	1583.7	1568.3	1525.2

(Base: September 18, 1931=100)

Equities appear more optimistic after recent dullness and index rises 7.6 to 516.9—Gilts also recover

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
May 21	May 31	June 1	June 12
June 4	June 14	June 15	June 26
June 18	June 28	June 29	July 10

* "New time" dealings may take place from 9.30 am two business days earlier.

The tone in equity markets yesterday became slightly more optimistic for the first time in six trading sessions. Business throughout was slow with attendance affected by Derby Day absentees, but the firmness spilled over even to Government stocks where dealers were initially caught off guard by small investment demand encouraged by Press views less bearish than anticipated on the latest increase in the banking sector's eligible liabilities.

Revived selective institutional interest in stocks often in short supply initiated the upturn *among the industrial sector* leaders which were given added momentum on occasional professional backing. By noon the FT 30-share index was 5.8 up and it subsequently hovered *around the enhanced level* before heading higher again after the official close to end 7.6 up at 516.9. Genuine investment business continued to embrace a host of secondary and situation issues, many of which established noticeable improvements.

British Funds temporarily cast aside inflation and money supply worries. An opening manoeuvre in which dealers lowered quotations proved unsuccessful and the longs, in particular, moved forward to finally regain most of the previous day's losses of up to ¾. At the shorter end of the market, the trend was more indecisive and midday rises of ⅛, usually the result of bear-closing operations, were pared to ⅛ and sometimes less.

Overnight American interest and the early surge in the bullion price to new record levels set in a motion a fresh advance in *South African Gold shares.* Best prices were not always held because of late U.S. profit-taking in the wake of the subsequent reaction in bullion, but the FT Gold Mines index still closed a *further 5.2 up at 208.4,* its highest since February, 1976.

An enlivened institutional demand for investment currency encouraged by the overnight Wall Street recover and *continued activities in South* African Gold shares took the premium to a close of two points up at 54 per cent. Yesterday's SE conversion factor was 0.8138 (0.8238).

Business in Traded Options increased slightly with a total of 858 contracts. Shell were the most active positions, *recording* 112 deals, while GEC nearly matched the business with 110.

Banks below best

Buoyed by the latest bank lending figures for mid-May, the major clearers moved higher in thin trading but closed a few pence below the best. **Lloyds** ended 9 up at 337p, after 340p, *while* **NatWest** *added 7 to 357p,* after 360p. **Bank of Scotland** improved 8 to 318p. Elsewhere, **Hambros,** 283p, and **Leopold Joseph,** 170p, rose 5 apiece among quietly firm merchant banks.

Insurances took a turn for the better but the volume of business was small. **Sun Alliance** appreciated 10 to 588p. **Royals** 8 to 390p and **GRE** and **Phoenix** *4 to the common level of 254p.* **Hambro Life** firmed 15 to 655p in a thin market and **Pearl** put on 4 to 270p.

Breweries were inclined harder, with **Scottish and Newcastle** *firming 2 to 75p with the* aid of Press mention. Elsewhere, strong buying accompanied by a revival of bid talks left **Amalgamated Distilled** 6 to the good at 46p.

Building descriptions displayed two notable firm spots in **Armitage Shanks** which firmed 10 to 89p in response to the substantially improved annual profits and the one-for-two scrip issue, and **Brown and Jackson** which rose 40 for a three-day gain of 82 to 268p on renewed demand. **Edward Jones (Contractors)** firmed ½ to 15½p in response to the reduced annual loss, but scattered selling left **Costain** 4 easier at 182p and **Leyland Paint** 7 cheaper at 135p, after 131p. The chairman's optimistic annual statement prompted a gain of 3 to 45p in **M.D.W.,** but acquisition news failed to stimulate interest in **Galliford Brindley** which held at 69½p. In quietly firm Timbers, **International** and **Travis and Arnold** added 4 apiece to 135p and 217p respectively, while **May and Hassell** improved 3 more to 90p. Small speculative interest prompted a gain of 6 to 310p in **Tunnel "B."**

ICI progressed 7 to 384p on steady demand and **Fisons** firmed 4 to 274p. Press comment on the company's oil interests lifted **Carless Capel** 2 to 43p.

Lee Cooper up again

Leading Stores made progress in moderate trading, **Marks and Spencer** appreciating 3 to 118p. **Raybeck** encountered fresh speculative support at 127p, up 5. Elsewhere, further speculative buying in a thin market lifted **Lee Cooper** 17 for a two-day gain of 30 to 295p and **Moss Bros.** rose a further 7 to 297p on a combination of bid *hopes and reports of a bumper* hire trade for Derby Day. Reflecting the sharp dividend increase, **Sumrie Clothes** put on 4 to 39p, while rises of between 6 and 8 were seen in **J. Hepworth,** 93p, **Church,** 200p, and **Bambers,** 168p.

Recently easier on the reported bid denial, **Stylo Shoes** revived with a fresh speculative gain of 12 to 144p.

Still reflecting disappointment with the interim figures, **Muirhead** reacted afresh to 240p before settling at 242p, down 14 on balance. Selective support, however, was forthcoming for other Electrical issues. **AB Electronic** closed 16 to the good at 222p following late demand. **Eurotherm** revived with a gain of 7 to 337p, while rises of a similar amount were marked against **Racal,** 487p, **BICC,** 141p, and **United Scientific,** 295p. Among the leaders, **GEC** were a reasonably lively market at 401p, up 3, after 403p, while **Plessey** gained 5 to 110p.

Quiet but firm conditions prevailed in the Engineering leaders. **John Brown** improved 7 to 227p, while **Tubes** hardened 4 to 404p and **GKN** a few pence to 284p. Elsewhere, **Pegler-Hattersley** responded to the preliminary results with a gain of 8 to 168p, but disappointment with the interim figures prompted a reaction of 7 to 83p in **Hawthorn Leslie.** **Averys** encountered renewed demand and put on 8 further to 270p, while **Matthew Hall** firmed 4 further to 276p. Better-than-expected half-yearly figures left **T. W. Ward** 4 to the good at 86p, but the sharp fall in annual profits prompted a reaction of 2 to 94p, after 92p, in **Eva Industries.** **Richardson Westgarth** firmed 3 to 31p in smaller-priced issues.

Talk that **Northern Foods,** 5 cheaper at 121p, may launch a takeover bid for **Barker and Dobson** lifted the latter 1½ to 21½p. An investment recommendation directed attention towards **Spillers** which put on 1½ to 44p. Demand was again forthcoming for **Bernard Matthews,** which put on 20 for a two-day gain of 36 to 270p in a thin market, but **Carr's Milling** shed 6 to 92p following the interim results. In Supermarkets, **Associated Dairies** firmed 5 to 285p and, awaiting today's annual results, **Cullen's A** added 4 to 136p.

Grand Metropolitan, at 146p, recovered 3 of the previous day's fall of 8 that followed the rights issue announcement. Bid candidate **Savoy A** attracted fresh interest and put on 7 to 121p, but **Brent Walker** weakened 4 for a three-day fall of 10 to 90p ahead of tomorrow's annual results.

With the exception of **Bowater,** which cheapened a penny to 181p, miscellaneous Industrial *leaders moved higher on technical influences.* **Unilever** advanced 10 to 622p, while **Glaxo** added 9 to 487p and **Beecham** 7 more to 575p. Elsewhere, **National Carbonising** *gained 4 to 58p following the* company's decision to close its loss-making metal fabricating plants at Lincoln and Lowdham. **Burco Dean** improved 3 to 82p in response to the interim results.

Vinten wanted

Vinten added 15 to 156p on a resurgence of speculative demand. Comment on the group's profits and dividend prospects helped **De La Rue** advance 17 to 505p, while **Neil and Spencer** continued firmly at 212p, up 8. **Ricardo** encountered investment support at 358p, up 8, and **R. H. Cole** were notable for a rise of 7 to 132p. **Esperanza Trade and Transport** put on 6 to 116p, while improvements of 5 were recorded in **Thomas French,** 95p, **Gripperrods,** 124p, and **Highgate and Job,** 62p. **Provincial Laundries** moved up 3 to 38p and the **12 per cent Convertible '86-88** advanced 10 to 320p. Further consideration of the good results which accompanied details of the proposed £1m rights issue left **Scotcros** up a penny more at 93p.

Among Leisure issues, hopes of a profitable Epsom Derby put **Ladbroke** 9 firmer to 212p and lifted **Coral** 6 to 121p. Elsewhere, a small interest was shown in **Hawley** which added 3 to 33p.

News of substantial orders to supply equipment to Boeing lifted **Dowty** 22 to 357p. **Lotus Car** found support and firmed 4 to 46p while, in Garages, **T. C. Harrison** hardened 2 to 147p following the chairman's optimistic remarks about current trading.

Reflecting the company's oil interest, **International Thomson** firmed 20 to 380p and the convertible preference advanced 23 to 333p. In Paper/Printing, **McCorquodale** shed 7 to 123p on the £3.2m rights issue announced with the interim profits.

Speculative counters fared best in Properties. **Imry** rose 35 to 700p in a thin market while **Chesterfield** improved 10 to 490p and **County and District** 4 to 202p. **Land Securities,** at 301p, regained 2 of the previous day's fall of 7 that followed a broker's sell recommendation.

Oil shares continued to move ahead strongly, with turnover on a far better scale than of late. **Shell** issues were particularly lively, the old closing 14 to the good at 394p and the new a similar amount dearer at 398p. **British Petroleum** advanced 26 more to 1224p, while dollar premium influence left **Royal Dutch** a point higher at £40¼. **Siebens (UK)** stood out in the more speculative issues with a jump *of 34 to 248p,* while **Burmah** were also noteworthy for a rise of 8 at 132p.

Among Overseas Traders, favourable Press mention stimulated a little buying interest in ***Gill and Duffus,*** *4 to the good* at 157p.

Trading in Shippings was again quite brisk. Already a firm market at 102p, **P and O Deferred** closed 3½ to the good at 104p following the chairman's statement at the annual meeting. Further support was forthcoming for **Ocean Transport** which improved 4½ more to 104½p, while **Reardon "A"** firmed 3 further to 64p and **Walter Runciman** were similarly better at 74p. **John I. Jacobs** improved 1½ to 42p.

Modest rises were fairly wide*spread throughout* Trusts, but **Robert Kitchen Taylor** came on offer in Financials and gave up 18 to 185p.

In Textiles, further consideration of the preliminary results left **Parkland "A"** 3 firmer at 87p, while **Atkins Bros.** responded to the increased dividend and profits with a similar improvement to 55p.

Consideration given to the *recently announced reconstruction* scheme helped lift **Plantation Holdings** 7 to 110p in Plantations. In front of today's preliminary figures, **Guthrie** softened 2 to 598p but **Warren** *improved 7 to 143p, after 149p.*

South African Industrials reflected investment currency and domestic influences to close firmer throughout. **Barlow Rand** advanced 20 to 335p, **OK Bazaars** put on 13 to *455p and* **Greatermans A,** 170p, and **Gold Fields Properties,** 82p, added 10 and 12 respectively.

Golds up again

Although closing below their best levels owing to American profit-taking, South African Golds nevertheless showed further substantial gains reflecting *the continuing strength of the* bullion price coupled with the firmness of both the investment currency premium and Financial Rand.

Prices opened higher follow*ing the good performance in* overnight American markets. Thereafter, they continued to make progress until the late downturn in the bullion price — finally 25 cents easier at $278.375 after a record $281.875 per ounce — brought out the small-scale U.S. selling.

The Gold Mines index advanced a further 5.2 to 208.4 — its highest level for almost three and a-half years — while the ex-premium index gained 2.1 more to 169.5.

Heavyweights showed **Randfontein** a point higher at £33¼, after £33¾, while gains of a half-point were common to **West Driefontein,** £29½, after £29¾, **President Brand,** £10½, and **St. Helena,** £10¾. Similar improvements were seen in **Buffels,** £10¼, and **Hartebeest,** £20¼, following better-than-forecast dividend announcements.

South African Financials moved similarly to Golds, although they, too, closed a shade below their best levels. **Anglo American Corporation** jumped 19 more to 450p, after a 1979 high of 454p, for a two-day rise *of 34, in front of the results* expected today.

De Beers ended 17 better at 454p, after 460p, while **General Mining** closed 20 up on balance at 620p, after 640p.

Elsewhere, **Consolidated Murchison** advanced 25 to 300p following the much better-than-expected interim dividend of 30 cents.

FINANCIAL TIMES STOCK INDICES

—	June 6	June 5	June 4	June 1	May 31	May 30	A year ago
Government Secs.	72.91	72.80	72.93	72.91	72.91	72.93	69.20
Fixed Interest	75.07	75.01	75.20	75.20	75.16	75.14	70.98
Industrial	516.9	509.3	510.9	513.6	513.6	511.8	474.9
Gold Mines	208.4	203.2	194.3	195.3	196.3	189.3	156.3
Gold Mines(Ex-$ pm)	169.5	167.4	160.5	161.4	162.9	155.9	106.1
Ord. Div. Yield	5.71	5.77	5.78	5.78	5.79	5.80	5.58
Earnings, Yld. % (full)	15.04	15.24	15.26	15.27	15.30	15.53	16.22
P/E Ratio (net) (*)	8.51	8.40	8.39	8.39	8.37	8.22	8.24
Total bargains	15,911	15,864	15,077	—	—	—	—
Equity turnover £m.	—	71.62	88.38†	91.20	85.56	62.59	72.66
Equity bargains total	—	11,708	15,338†	14,398	17,894	12,587	18,016

10 am 511.8. 11 am 513.7. Noon 515.1. 1 pm 515.1.
2 pm 515.2. 3 pm 515.1.
Latest Index 01-246 8026.
*Nil=8.19.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942. † Correction.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (6/5)	66.05 (15/2)	150.4 (28.11/47)	50.53 (3/1/75)
Ind.Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (6/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	169.5 (6/6)	95.2 (2/11)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	June 5	June 4
—Daily		
Gilt Edged	104.9	90.7
Industrials	147.2	121.1
Speculative	51.1	38.6
Totals	95.1	76.6
5-d'y Av'r'ge		
Gilt Edged	94.6	93.8
Industrials	149.7	153.5
Speculative	39.7	39.7
Totals	92.7	93.9

TV studio plan

TYNE TEES Television has applied to build a £3.5m studio complex near its headquarters in City Road, Newcastle-upon-Tyne.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (128)

AMERICANS (1)
CANADIANS (1)
BEERS (1)
BUILDINGS (11)
CHEMICALS (4)
DRAPERY & STORES (5)
ELECTRICALS (3)
ENGINEERING (8)
FOODS (3)
HOTELS (1)
INDUSTRIALS (14)
LEISURE (1)
NEWSPAPERS (1)
PAPER & PRINTING (1)
PROPERTY (4)
SHIPPING (3)
SHOES (1)
SOUTH AFRICANS (4)
TEXTILES (3)
TRUSTS (2)
OILS (6)
OVERSEAS TRADERS (1)
RUBBERS (1)
MINES (47)

NEW LOWS (16)

CANADIANS (3)
Royal Bank of Can. Toronto-Dominion Bank
BUILDINGS (2)
Brownlee Jennings
ELECTRICALS (1)
Lec Refrigeration
INDUSTRIALS (2)
Dykes (J.) Harris & Sheldon
INSURANCE (1)
Heath (C. E.)
LEISURE (1)
Saga Holidays
PAPER (2)
McCorquodale Smurfit (Jefferson)
TRUSTS (2)
Jersey Ext. Prof. Tribune Invs.
MINES (3)
Newmetal Tara Expln.
South Crofty

RISES AND FALLS YESTERDAY

RISES AND FALLS	Up	Down	Same
British Funds	67	1	17
Corpns. Dom. and Foreign Bonds	3	8	53
Industrials	436	125	854
Financial and Prop.	200	19	287
Oils	24	—	14
Plantation	11	2	19
Mines	84	8	80
Others	84	12	30
Totals	919	175	1,324

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1100	144	—	176	[illegible]	228	—	1219p
BP	1200	74	10	112	4	168	8	"
BP	1300	22	19	66	1	118	—	"
Cons. Gold	180	86	5	91	—	—	—	262p
Cons. Gold	220	46	10	53	—	—	—	"
Cons. Gold	260	14	25	23	—	32	—	"
Cons. Gold	280	5	—	14	8	22	—	"
Courtaulds	100	11½	5	16	—	18	—	106p
Courtaulds	110	5½	6	10	—	12	—	"
Coutraulds	120	3	—	6	—	8	1	"
GEC	360	56	—	71	10	—	—	402p
GEC	390	32	3	49	—	71	—	"
GEC	420	15	37	32	—	51	1	"
GEC	460	6	60	18	—	37	—	"
Grand Met.	130	21	—	26	6	—	—	146p
Grand Met.	140	14	—	19	33	27	—	"
Grand Met.	160	6	—	15	51	19	—	"
Grand Met.	180	1½	6	6½	—	12	—	"
ICI	330	61	—	68	3	—	—	383p
ICI	360	35	26	45	—	53	—	"
ICI	390	14	23	25	—	34	—	"
ICI	420	4	—	13	15	22	5	"
Land Secs.	300	14	27	34	5	50	—	301p
Land Secs	330	4	30	17	—	31	—	"
Marks & Sp.	120	6½	—	13	2	18	—	117p
Marks & Sp.	130	2½	16	8½	—	15	—	"
Shell	275	128	4	—	—	—	—	395p
Shell	300	105	5	107	—	—	—	"
Shell	325	78	—	85	2	—	—	"
Shell	350	53	10	61	—	70	—	"
Shell	375	32	2	46	24	58	—	"
Shell	400	21	64	32	10	47	1	"
Totals			380		172		16	
		August		November		February		
Boots	240	2½	—	6½	1	—	—	204p
EMI	100	20	—	25	—	34	2	107p
EMI	140	6	5	7	—	—	—	"
Imperial Gp	90	10	20	12	—	15	—	95p
RTZ	280	49	27	64	—	—	—	317p
RTZ	300	35	13	49	—	60	—	"
RTZ	330	18	15	33	—	43	—	"
RTZ	360	11	—	22	7	—	—	"
Totals			60		8		2	

APPOINTMENTS

Senior group posts at NEI

Two executive appointments have been made at NEI BRUCE PEEBLES, a subsidiary of Northern Engineering Industries. Mr. I. Christie becomes managing director of Parsons Peebles Distribution Transformers and has been succeeded as managing director of Systemshare by Mr. A. G. Richardson, a director of that unit.

Mr. I. Christie   Mr. A. G. Richardson

★

Mr. Warren J. Hayford has been appointed president and chief operating officer of INTERNATIONAL HARVESTER, Chicago, from June 15. The current president **Mr. Archie McCardell** will become chairman of the board and continue as chief executive officer. **Mr. Brooks McCormick,** the present chairman, will be chairman of the executive committee of the board of directors and remain an active member of the policy committee and other executive committees. Mr. Hayford was previously executive vice-president of Continental Group and president of its Continental Can Company.

★

Mr. R. J. Addison has joined the board of ROBERTSON FOODS and continues as managing director of Viota Foods.

★

Mr. Jack D. Newell has been appointed joint managing director of INDUSTRIAL ENERGY COSTS and shares responsibility with **Mr. Vernon Kirby,** the chairman.

★

Mr. John Moore, MP, has resigned as chairman of DEAN WITTER REYNOLDS and other directorships associated with that company on his appointment as the Parliamentary Secretary of State, Department of Energy.

★

Mr. John B. Stuart has been elected chairman of the BRITISH MAN-MADE FIBRES FEDERATION in succession to **Mr. Bill Barnes.**

★

Mr. Hubert G. J. Pain has become vice-president and auditor—Europe for MANUFACTURERS HANOVER TRUST COMPANY. **Mr. Owen Bourgaize** has been made trust manager of Manufacturers Hanover Bank (Guernsey). The bank has also appointed **Mr. Keith W. Pamplin** as banking manager.

★

Mr. Julian Sheffield has become chairman of PORTALS HOLDINGS in place of his father, **Mr. John V. Sheffield,** who has retired.

★

Mr. John P. Clark has been appointed to the board of GALLAHER. He is vice-president—subsidiary administration of American Brands Inc.

★

Sir Nicholas Henderson has resigned from the board of the FOREIGN AND COLONIAL INVESTMENT TRUST COMPANY on his appointment to Washington.

★

Mr. S. W. B. Landale has been appointed director of the WEST MIDLANDS ENGINEERING EMPLOYERS' ASSOCIATION—the post previously held by **Major P. D. F. Forrest,** who has taken over as chairman of the association.

★

Mr. James Bowden is to join the Board of CHANDLER HARGREAVES WHITTALL (AVIATION) on July 1.

★

Mr. Roy Gibson has been appointed managing director of ATLANTIC COMPUTER LEASING. He was previously european sales director. **Mr. J. G. Foulston** and **Mr. V. J. E. Davies** stand down as managing director and chairman of that company to take up similar positions on the Board of the recently formed ATLANTIC HOLDINGS. Mr. Gibson has also joined the Board of the holdings concern.

★

Mr. James Prior, MP, has resigned from the Board of AVON COSMETICS following his appointment as Secretary of State for Employment.

★

Sir Hugh Wilson, chairman of London's DOCKLANDS JOINT COMMITTEE, has announced four appointments which complete a new top management structure for the Docklands Development Organisation. **Mr. Brian Buckle** is now director of development co-ordination; **Mr. Brian Hirst,** director of commerce and industry, with two assistant directors, **Mr. Peter Turlik** and **Mr. Roger Dearnley.**

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 30	Jun. 11	Aug. 23	Sep. 4
Jun. 12	Jun. 25	Sep. 6	Sep. 18
Jun. 26	July 9	Sep. 20	Oct. 2

For rate indications see end of Share Information Service

Stocks to attract money for the call included **Scottish and Newcastle, Home Charm, MFI Furniture, Barker and Dobson, Spillers, P. and O. Deferred, Plessey, Bambers Stores, Brown and Jackson, J. E. Sanger, Vantona, Walter Runciman, Siebens (UK), Consolidated Gold Fields, Norwest Holst, Reardon 'A,' Lofs, Town and City Property, Burmah Oil, Lasmo, Negretti and Zambra** and **LRC International. Consolidated Golds Fields** were dealt in for the put, while double options were arranged in **Premier Consolidated, Levex, Vantona, Norwest Holst** and **Siebens (UK).**

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
BP	£1	13	1,224	+26	1,238	882
Cons. Gold Fields	25p	13	260	+ 7	268	178
GEC	25p	10	401	+ 3	456	311
P. & O. Defd.	£1	9	104	+ 3½	104	71
RTZ	25p	9	316	+ 6	362	226
Shell Transport 'New'	25p	9	398	+14	398	374
ICI	£1	8	384	+ 7	415	346
Barclays Bank	£1	7	475	+ 7	514	360
Beecham	25p	7	575	+ 7	755	558½
De La Rue	25p	7	505	+17	505	330
Grand Met.	50p	7	146	+ 3	150	112
Imperial Group	25p	7	95	+ 2	108	82
Neil & Spencer	10p	7	212	+ 8	216	123
Ocean Transport	25p	7	104½	+ 4½	117	93
Reed Intl.	£1	7	188	+ 6	199	149

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −	Div. Amount	Times Covered	Gross Yield	P.E. Ratio
60	F.P.	11/7	91	78½	B & Q (Retail) 5p	83	......	2.46	2.8	3.0	17.3
‡115	F.P.	—	207	137½	‡Baker (John)	207	......	12.0	—	8.7	—
—	F.P.	—	57½	41½	Bank Bridge 10p	41½	......				
‡‡	F.P.	22/6	53	51	Fulcrum Inv. Income	52	......	64.0	—	11.5	—
‡‡	F.P.	22/6	4½	3	Do. Capital	4½	......	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price	+ or −
20p	F.P.	11/5	21¼p	18p	How'rd Wyndh'm 9% Cnv. Cum. Red. Prf.	18p	−½
100	—	—	2pm	1pm	Marsh'll's Univ'rs'l 7½% Cnv. Cum. Red. Prf	1pm	......
100	£10	30/8	12	11½	Portsmouth Water 8% Red. Prf. 1984	11½	......
100	F.P.	11/5	118½	108	Slough Ests. 8% Cnv. 1991-94	112	−1
98	£25	23/8	26¼	24¼	York Water 12% Deb 1986	24½	......

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date		1979 High	1979 Low	Stock	Closing Price p:	+ or −
26½	F.P.	14/5	8/6	35½	30½	Davis & Metcalfe 'A'	32	......
25	Nil	8/6	6/7	30pm	15pm	Edwards (Louis C.)	20pm	+1
12	F.P.	1/6	29/6	15½	14	Hampton Trust	14½	......
154	Nil	22/6	27/7	17pm	16pm	MEPC	18pm	+2
34	F.P.	24/4	12/6	50	48	Norfolk Cap. Hotels	49	......
85	Nil	—	—	36pm	16½pm	P.M.A. Holdings	30pm	+1
210	Nil	—	—	60pm	45pm	Peterson Tennant	46pm	−15
20	Nil	—	—	18pm	9pm	Provincial Laundries	18pm	+5
118	F.P.	1/6	29/6	126	118	Pullman (R. & J.)	119	−1
115	Nil	11/6	2/7	21pm	10pm	Scot. Met. Prop.	16pm	......
265	Nil	15/6	27/7	30pm	22pm	Simon Engineering	28pm	−2
80	F.P.	27/4	15/6	32	27½	Singlo Holdings	28½	+½
150	Nil	15/6	13/7	6pm	2pm	Smurfit (Jefferson)	3pm	−½
455	F.P.	4/6	6/7	507	487	Standard Chartered Bank	493	+2
138	Nil	18/6	9/7	7pm	3½pm	Tilling (Thomas)	4pm	+½
175	F.P.	25/5	4/7	248	210	Tricentrol	248	+8
93	F.P.	7/6	13/7	105½	100	UDS	101	−½
20	Nil	19/6	13/7	5½pm	3pm	Weeks Associates	5½pm	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issue as units comprising 2 income shares and 10 Capital shares at 125p per unit.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines index.

Gold Mines FT	+43.60
Mining Finance	+34.99
Oils	+33.86
Food Retailing	+33.40
Stores	+32.03
Property	+31.78
Merchant Banks	+30.28
Electronics, Radio and TV	+27.78
Overseas Traders	+25.00
Newspapers and Publishing	+23.52
Banks	+22.65
Building Materials	+22.61
Insurance (Life)	+22.50
Breweries	+21.90
Entertainment and Catering	+19.33
Consumer Goods (Durable) Group	+19.31
Shipping	+19.13
Consumer Goods (Non-durable) Group	+19.08
500 Share Index	+18.97
Financial Group	+18.88
All-share Index	+18.80
Electricals	+18.04
Discount Houses	+18.72
Industrial Group	+18.22
Hire Purchase	+16.05
Capital Goods Group	+16.04
Metal and Metal Forming	+13.48
Contracting and Construction	+13.15
Food Manufacturing	+12.92
Engineering Contractors	+12.43
Other Groups	+11.48
Chemicals	+10.88
Insurance (Composite)	+10.03
Packaging and Paper	+ 9.74
Investment Trusts	+ 9.61
Mechanical Engineering	+ 9.18
Wines and Spirits	+ 7.97
Motors and Distributors	+ 7.36
Tobaccos	+ 4.91
Household Goods	+ 4.47
Textiles	+ 0.27
Office Equipment	− 0.05
Pharmaceutical Products	− 4.03
Insurance Brokers	− 5.73
Toys and Games	−15.82

† Percentage changes based on Tuesday, June 5, 1979, indices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., June 6, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., June 5 Index No.	Mon., June 4 Index No.	Fri., June 1 Index No.	Thurs., May 31 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	268.09	+1.0	15.08	5.23	8.24	265.51	266.01	266.61	265.90	214.96
2	Building Materials (27)	251.39	+0.8	15.94	5.52	8.38	249.36	249.55	250.15	249.81	198.72
3	Contracting, Construction (28)	405.86	+0.2	22.16	5.34	5.68	405.00	405.22	406.62	402.38	351.55
4	Electricals (14)	641.87	+1.3	12.12	2.98	11.35	633.58	638.49	641.15	642.04	452.07
5	Engineering Contractors (12)	394.98	−0.3	18.35	6.13	6.98	396.27	396.12	397.61	397.32	317.87
6	Mechanical Engineering (75)	200.70	+1.4	16.48	5.77	7.89	197.94	197.55	197.57	195.79	174.94
8	Metals and Metal Forming (16)	181.89	+0.6	17.75	8.55	7.66	180.83	180.92	180.99	180.72	164.05
	CONSUMER GOODS										
11	(DURABLE) (52)	248.56	+0.6	14.09	4.40	9.40	247.15	246.35	246.47	246.17	197.57
12	Lt. Electronics, Radio, TV (16)	336.73	+0.6	10.97	3.16	12.95	334.61	333.53	333.06	333.04	231.49
13	Household Goods (12)	175.01	+0.7	15.97	6.90	8.39	173.78	172.69	174.02	173.89	177.78
14	Motors and Distributors (24)	128.89	+0.4	20.56	6.57	6.00	128.37	128.03	128.30	127.92	125.92
	CONSUMER GOODS										
21	(NON-DURABLE) (171)	249.35	+1.3	14.97	5.43	8.62	246.10	246.83	249.23	248.29	202.59
22	*Breweries* (14)	285.90	+1.3	13.78	5.44	9.29	282.16	284.52	286.30	285.51	233.80
23	Wines and Spirits (6)	311.97	+2.3	15.06	4.00	9.68	304.98	304.79	307.13	308.31	258.76
24	Entertainment, Catering (17)	325.85	+2.1	14.66	6.30	9.10	319.28	327.15	333.14	334.52	261.88
25	Food Manufacturing (19)	228.14	+1.3	17.14	4.98	7.45	225.26	224.89	224.68	223.97	196.48
26	Food Retailing (15)	305.35	+0.6	10.84	3.93	12.21	303.65	302.16	303.60	303.02	201.07
32	Newspapers, Publishing (12)	454.24	—	20.48	5.64	6.92	454.00	455.03	460.14	459.91	375.25
33	*Packaging and Paper* (15)	144.55	+0.8	20.17	8.03	6.34	143.46	144.83	146.23	145.15	133.74
34	Stores (41)	254.03	+1.4	11.09	3.99	12.15	250.54	251.07	254.50	251.97	180.12
35	Textiles (23)	180.36	+0.8	19.29	8.69	6.77	178.88	178.09	181.79	180.91	181.69
36	Tobaccos (3)	250.09	+1.4	22.74	8.23	5.05	246.65	245.75	247.07	248.74	251.39
37	Toys and Games (6)	77.46	+0.6	29.60	8.77	4.08	76.99	76.83	77.27	77.43	107.38
41	OTHER GROUPS (99)	218.44	+1.1	14.61	5.86	8.49	216.03	215.21	215.40	215.14	198.85
42	*Chemicals* (18)	309.86	+1.5	16.43	6.37	7.10	305.21	303.91	302.85	303.01	284.69
43	Pharmaceutical Products (7)	235.58	+1.1	11.66	4.84	10.68	232.95	232.17	232.78	233.24	258.85
44	Office Equipment (6)	129.64	+0.8	15.81	6.33	7.98	128.65	128.01	129.15	129.14	135.02
45	Shipping (10)	493.03	+1.9	9.58	6.30	14.14	483.89	478.35	474.81	472.68	431.75
46	Miscellaneous (58)	258.19	+0.7	15.09	5.74	8.62	254.45	255.95	255.98	256.18	204.25
49	INDUSTRIAL GROUP (494)	254.12	+1.1	15.05	5.40	8.55	251.29	251.45	252.72	252.05	211.26
51	*Oils* (6)	695.51	+2.8	11.34	3.15	9.38	676.40	666.10	661.58	647.42	495.59
59	500 SHARE INDEX	289.82	+1.4	14.39	5.00	8.68	285.76	285.15	286.01	284.34	234.79
61	FINANCIAL GROUP (115)	201.98	+1.2	—	5.23	—	199.54	199.04	200.20	201.88	164.36
62	Banks (6)	244.43	+1.9	27.25	4.96	4.74	239.80	235.93	237.25	242.24	190.82
63	Discount Houses (10)	249.41	+0.4	—	7.68	—	248.54	248.72	241.26	241.26	198.72
64	Hire Purchase (5)	190.88	+0.5	17.40	4.75	7.40	189.86	188.35	192.14	194.74	141.34
65	Insurance (Life) (10)	165.08	+1.2	—	6.43	—	163.09	163.43	164.58	164.92	137.01
66	Insurance (Composite) (8)	136.49	+1.3	—	6.91	—	134.80	134.80	135.22	137.11	125.30
67	Insurance Brokers (10)	293.82	+0.7	17.12	6.52	8.38	291.79	293.13	294.57	294.57	328.77
68	Merchant Banks (14)	101.70	+0.9	—	5.24	—	100.82	100.73	101.20	101.37	81.08
69	Property (42)	355.23	+0.8	3.03	2.54	50.61	352.41	353.66	357.43	356.05	235.32
70	Miscellaneous (10)	126.58	+0.5	14.85	7.36	8.66	125.90	128.05	128.02	127.98	108.50
71	Investment Trusts (111)	223.78	+0.7	—	5.14	—	222.29	221.67	223.64	223.07	209.10
81	Mining Finance (4)	139.31	+1.9	14.33	5.65	8.48	136.69	135.69	138.95	138.36	102.32
91	Overseas Traders (20)	367.41	+0.4	14.10	6.88	8.91	365.84	362.57	364.48	363.61	313.80
99	ALL-SHARE INDEX (750)	265.11	+1.3	—	5.10	—	261.62	260.97	262.09	261.27	216.43

FIXED INTEREST PRICE INDICES

	British Government	Wed., June 6	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	106.55	+0.08	—	3.98
2	5-15 years	118.98	+0.53	—	4.01
3	Over 15 years	124.84	+0.51	—	5.31
4	Irredeemables	131.98	+0.41	—	6.30
5	All stocks	115.95	+0.36	—	4.47

FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.

			Wed., June 6	Tues., June 5	Year ago (approx.)
1	Low Coupons	5 years	9.82	9.88	8.99
2		15 years	10.76	10.87	11.19
3		25 years	11.26	11.34	11.83
4	Medium Coupons	5 years	11.53	11.57	11.54
5		15 years	12.01	12.07	12.39
6		25 years	12.12	12.20	12.56
7	High Coupons	5 years	11.81	11.86	11.81
8		15 years	12.38	12.45	12.87
9		25 years	12.36	12.39	13.22
10	Irredeemables		11.09	11.13	11.95

		Wed., June 6 Index No.	Wed., June 6 Yield %	Tues. June 5	Mon. June 4	Fri. June 1	Thurs. May 31	Wed. May 30	Tues. May 29	Fri. May 25	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	60.19	12.34	60.28	60.22	60.30	60.31	60.31	60.77	60.77	57.11
16	Investment Trust Prefs. (15)	52.57	13.41	52.41	51.41	52.21	52.57	52.57	52.33	52.39	52.33
17	Coml. and Indl. Prefs. (20)	75.80	12.71	73.90	73.96	74.03	74.29	74.28	75.06	74.81	71.57

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

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Javelin Equity Tst. A$2.45 2.57 ..... —

J.E.T. Managers (Jersey) Ltd.
P.O. Box 98, Channel House, Jersey. 0534 73673
Jersey Extrnl. Tst. £2.55 1.66 ..... —
As at April 30. Next sub. day May 31.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$325.50	.....	2.40
Jardine J'pn.Fd.*	HK$390.53	.....	0.90
Jardine S.E.A.	US$17.19	.....	2.10
Jardine Flem. Int.	US$12.73	.....	0.80
Intl.Pac.Secs.(Inc.)	US$13.62	.....	1.30
Do. (Accum.)	US$13.81	.....	—

NAV May 14. *Equiv. US$76.12. Next sub. day May 31.

Leopold Joseph & Sons (Guernsey)
Hirzel Ct., St. Peter Port, Guernsey. 0481-26648.
L.J. Sterling Fund £10.05 10.06 ..... —

United States Tst. Intl. Adv. Co.
14, Rue Aldringer, Luxembourg.
U.S. Tst. Inv. Fund $US11.11 +0.07 0.90
Net asset value June 4.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Conv.Bd. June 5	US$9.48		.....	—
Eng. Int. June 5	US$23.80		+0.33	—
Gr.St.$Fd. May 31	US$7.94		.....	—
Merc. Ebd. May 30	US$10.59	10.70	.....	0.41
Merc.Mny.Mkt. June 4.	£10.79	10.81	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy.C1 0534 73741

CMF Ltd. May 31	$US13.33	13.67	.....	2.90
CMT Ltd. May 31	£13.46	13.81	.....	2.80
Metals Tst. May 17	£26.00	16.40	.....	5.46
TMT May 10	US$10.67	10.94	.....	2.84
T.M.T. Ltd. May 10	£10.71	10.99	.....	1.06

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd US$17.70 ..... —

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015
Wren Commod. Tst. 38.0 38.4 ..... —

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

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Financial

High	Low	Stock	Price £	+ or –	Int.	Red.
103¾	98¼	FFI 13pc 1981	101¼	......	12.78	11.76
107	100	Do. 14pc '79	100½	......	14.19	—
108¾	99¼	Do. 14pc '83	105¾	......	13.24	12.30
86½	77½	ICFC 5½pc Deb. '80-82	85	–½	6.58	11.40
85	71½	Do. 6¼pc Db. '81-84	78½xd	......	7.96	11.70
99	84½	Do 10½pc Uns Ln. '86	92½xd	......	11.35	12.20
99	84½	Do 11pc Uns.Ln '88	93xd	......	11.82	12.20
101½	84	Do. 11½pc Uns.Ln '90	95½xd	–½	12.30	12.60
72½	57	Do. 7¼pc A Deb. '89-92	66½xd	......	10.90	12.40
69	53½	Do. 7¼pc A Db. '91-94	66	......	11.24	12.50
81½	64½	Do. 9pc 'A' '91-94	79	–½	11.72	12.40
78½	62½	Do. 8¾pc Ln. '92-97	75½	–½	12.22	12.60

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AMERICANS

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Conversion factor 0.8238 (0.8238)

CANADIANS

S.E. List Premium 22¼% (based on $2.4369 per £)

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or –	Div. Net	Cvr	Yld Gr's	P/E
£124¾	£19½	Cred. France F75	£20	......	[illegible]	—	3.3	—
16	14	Dawes (G. R.)	14	......	—	—	—	—
£121	£79	Deutsche Bank DM50	£79	......	Q18%	—	2.9	—
90	63	F. C. Finance	73	......	2.2	♦	4.5	♦
8¼	5¼	First Nat. 10p	8	......	—	—	—	0.6
4	2	Do. Wrrts. 75-83	3¼	......	—	—	—	—
16¼	13½	Fraser Ans. 10p	15¾	–¼	—	—	—	—
252	173	Gerrard Natnl.	234	......	9.12	—	5.8	—
62	45	Gibbs (A.)	48	+1	2.2	—	6.8	—
270	217	Gillett Bros. £1	260	......	16.95	—	9.7	—
29	19	Goode D't Mry. 5p	25	......	0.25	—	1.5	—
153	116	Grindlays	132	+1	3.07	7.5	3.5	4.1
120	98	Guinness Peat	108	+3	H5.67	—	7.8	—
330	173	Hambros	283	+5	†9.76	—	5.1	—

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Hire Purchase, etc.

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FINANCIAL TIMES

Thursday June 7 1979

SKIPTON BUILDING SOCIETY
London Office: 18 High Holborn. Head Office: High Street, Skipton.
Assets exceed £...

West's biggest election starts

BY PHILIP RAWSTORNE

THE WESTERN world's biggest election gets under way today as the EEC's 180m voters go to the polls for the first time to elect a European Parliament. Britain, Ireland, Denmark and the Netherlands vote today.

West Germany, France, Italy, Belgium and Luxembourg will *complete the poll for the new* parliament's 410 MPs on Sunday. The count starts at 9 pm on Sunday and the first results will be broadcast in a late night Community-wide Eurovision link-up.

Party leaders, fearing an embarrassingly low poll in Britain compared with the other EEC countries, yesterday issued urgent appeals to electors to vote.

Mrs. Margaret Thatcher, *presiding at the final Tory Press* conference of the campaign, said a maximum turn out was essential "on this historic occasion."

She predicted that the British *Conservatives would be the* single largest national party in the new Parliament and said they would have an important part to play in securing a better deal for Britain from the EEC budget.

With nine different electoral systems in use—ranging from Britain's "*first past the post*" to a single national list in France —the speed with which results will be declared will vary.

Germany expects to have *established the trend of voting* within 35 minutes of the start of the count. The Dutch on the other hand have decided to postpone the count until Monday morning.

After voting ends in Britain tonight, the total number of votes will be checked and then ballot papers will be collected in 79 centres in the Euro constituencies ready for the count on Sunday.

The early results from Devon and South Scotland are expected *around midnight then but the* final declarations from the Scottish Highlands and Islands, and Hereford and Worcester are not due until Monday afternoon.

All the indications so far point to another serious election reverse for Labour within weeks of their general election defeat. *The party is not expected to* take more than 20 of the 78 seats in England, Scotland and Wales.

But both Mr. Anthony Wedgwood Benn and Mr. Michael Foot claimed yesterday that the Labour campaign had "taken off" in the past few days and that the turn-out of party supporters could be much higher than the generally predicted 30 per cent.

Mr. Benn said that voters now *understood and would back* Labour's policy of seeking a form of European co-operation based on national self-government.

The *Liberals*, whose commit*ment to* the EEC is deeper and of longer standing than either of the major parties are unlikely to win a single seat in the new parliament.

Without the help of a proportional representation system of voting, *even the task of* Mr. Russell Johnston, the party's brightest hope in the Scottish Highlands appears insuperable.

Euro-Election News Page 2
What the poll is about Page 28

Britain expects 60% turnout

A TURNOUT of some 60 per cent of the British electorate in the first European elections is likely, according to a sample poll taken in the past two days for the European Parliament and the European Commission.

A poll taken mainly in major cities says that of the 84 per cent of the public *aware that European* elections are taking place today, 58 per cent say they will certainly vote and another 12 per cent probably vote.

The full figures are:

1—Aware of existence of European Parliament, 85 per cent of sample.

2—Aware that European elections are taking place, 84 per cent of sample.

3—Of those aware that elections are taking place; certain intention to vote, 58 per cent.

4—Probable intention to vote, 12 per cent.

5—*Probably not voting, 4 per* cent.

6—Certainly not voting, 7 per cent.

7—Don't know, 2 per cent.

8—Not registered, 1 per cent.

Industry picture 'sombre'

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

GOVERNMENT MINISTERS attending the first meeting of the National Economic Development *Council since the election* were yesterday presented with an uncompromising review of Britain's industrial decline relative to its competitors.

Presenting a specially prepared paper, the director general of NEDC said the picture was "sombre."

"*Every indicator—without* exception—shows the UK's performance worse than those of its main competitors in the EEC."

The paper pointed out that most of the trends had been apparent for the last 10 years and many of them went back 30 years. *For this reason*, the UK now had a problem of adjustment much greater than the rest of industrial Europe. While other countries faced some of the same problems, they were adjusting more quickly than the UK.

The content of the paper was endorsed by all the members *attending the council meeting*, including Chancellor of the Exchequer Sir Geoffrey Howe, who was in the chair, Sir Keith Joseph, Industry Secretary, Mr. John Nott, Trade Secretary, and Mr. James Prior, Employment Secretary.

The Government went on to give *full backing* to the work of NEDC, ending any speculation that it might be less enthusiastic about the forum than its predecessor. Ministers went on to endorse in particular the sector working party exercise which was strengthened by the Labour Government as a means of reversing the decline of manufacturing industry.

The Chancellor said he viewed this tripartite approach as vital if the necessary changes were to be brought about in industry.

Ministers did indicate, however, that there might have to be some changes. The Chan*cellor asked* to be brought up to date on the work being done by NEDO.

Sir Keith Joseph expressed interest in the review that is going on in NEDO to determine the strengths of sector working parties. If the weaker ones could not be improved, they *would have to be wound up*, warned Sir Keith.

Both the Confederation of British Industry and the Trades Union Congress representatives on the council spoke strongly in favour of the work of the groups.

Mr. Len Murray, TUC gen*eral secretary*, told the council the exercise had been rewarding in identifying non-price factors as an area of competitiveness and looking at import penetration as a mirror of export performance.

French fight for oil crisis unity

BY ROBERT MAUTHNER AND TERRY DODSWORTH IN PARIS

THE FRENCH Government stepped up its diplomatic offensive to develop a concerted *Western response* to the oil crisis yesterday.

After a Cabinet meeting President Valérie Giscard d'Estaing said in a statement that oil-consuming countries should refrain from competition for scarce oil.

At the same time the French *dismissed reports of a rift with* the U.S. over the $5-a-barrel subsidy for oil imports which Washington has agreed. The French authorities made it equally clear that in their view independent action of this kind exacerbated the energy problem.

The 20-nation International *Energy Agency will have* a special meeting in Paris today to discuss the U.S. subsidy decision.

Dr. Ulf Lantzke, the IEA executive director, who confirmed that the agency had not been informed in advance of the U.S. measure, said that the meet*ing had been called to obtain* "more information" from the U.S.

But it was not appropriate *for an organisation like the IEA* to ask the U.S. to rescind the subsidy, described by Washington as "a cost equalisation" payment.

Dr. Lantzke said that member-countries had probably under-estimated the effect on prices of a 4 to 5 per cent shortfall.

The figures in the IEA report, prepared before the Iranian crisis, were already out of date and would have to be revised.

A model prepared by the Agency indicated that the present oil shortfall of 2m barrels a day might rise to 4m by 1985 and 10m by 1990.

Either much more radical steps to conserve oil and increase the production of alternative sources of energy must be taken, or there would be a sharp slowing of economic growth.

The present trend was clearly against the industrial countries.

Details Page 2

Viewdata scores U.S. success

BY MAX WILKINSON

VIEWDATA, THE electronic publishing system pioneered by the Post Office, has scored a major success in the U.S., where it has been adopted by General Telephone Electronics as the basis for a new service.

General Telephone Electronics, which had sales of $8.7bn last year, is to start a limited service this summer based closely on the British Post Office's system.

Viewdata allows subscribers to gain access to an electronic library of pages stored in a computer. The pages can be called up over the telephone network onto the screen of a modified television set or a suitable com*puter terminal*.

General Telephone Electronics announced yesterday that it has signed licence agreements with INSAC, the National Enterprise Board's computer software subsidiary, which is at present marketing viewdata in the U.S.

One licence is for the Post Office's Prestel system which INSAC has the exclusive right to sell in the U.S. A second licence is for a modified version, which INSAC has developed specially for the U.S. business market.

Under the licence agreements, General Telephone Electronics will be allowed to operate a service in the U.S., similar to that launched by the Post Office in Britain.

INSAC *has bought the U.S.* marketing rights from the Post Office for the Prestel system for a substantial sum. It now hopes to obtain continued business from General Telephone Electronics in developing new software for the system.

It also plans to become in*volved in the selling of business* terminals for the system either through a U.S. acquisition or more likely through a joint venture with an established manufacturer. INSAC will obtain continuing business by selling the service to closed groups of users, and also probably by obtaining a *royalty* based on the use of the service.

Mr. John Pearce, managing director of INSAC, said the deal was also important because it would help to establish the company's prestige in the U.S. as a software marketing company.

General Telephone Electronics is expected to concentrate on the business market in the first phase of the service and to expand it later for domestic use.

The Post Office, which has sold its system to the German Bundespost, to a major Dutch publishing group and in Hong Kong, has been *anxious for a* breakthrough in the U.S.

Continued from Page 1

OPEC chief warns of $20 barrel

its price in line with the levels now being charged by other OPEC members in order to re-unify the price structure. It *is approaching* the next OPEC price-fixing meeting in Geneva on June 26 with the objective of bringing order into the pricing system by both raising prices and its production level.

Mr. Abdul Aziz Turki, the deputy Saudi Oil Minister, said yesterday a decision to raise *crude production temporarily by* 500,000 barrels a day above the present ceiling of 8.5m b/d was still imminent.

It appears likely that Saudi Arabia will go to the Geneva meeting with the intention of using the prospect of raising production as a means of deterring the wilder pricing suggestions.

The Iranians are already charging $18.47 a barrel for their light crude, which is similar to Arabian Light, an increase *of more than 44 per cent since* the beginning of the year.

U.S. DECISION TO STOP DC-10 FLIGHTS

Some airlines reluctant to ground fleets

BY ARTHUR SANDLES

SOME OF the world's airlines were reluctant to ground their DC-10 fleets last night. For many airlines, the jet is their mainstay. Cancellation means *the wrecking of schedules and* the handing over of millions of pounds worth of custom to rival carriers.

***Although the British air*lines and Italy's state airline, Alitalia, grounded their jets early in the day (a severe blow to Alitalia which has eight DC-10s), the Belgian company, Sabena said its aircraft would continue flying.**

Sabena claimed its own jets had been checked more thoroughly than advised by either the Federal Aviation Authority or the manufacturers. "The company has no *comment to make on the* latest developments in Washington."

Japan Airlines, another major DC-10 user with 10 of the machines, did not rush to ground its fleet but said instead that it was "trying to learn more about the FAA order." The Japanese Transport Ministry is studying the position.

Jugoslav Air Transport, which took delivery of its third DC-10 only three weeks ago, said it would not ground its fleet.

Quick to pull their aircraft out of service were the French, Norwegians, Canadians and Spaniards. Iberia, Spain's national air*line*, has seven DC-10s.

Equally prompt to stop DC-10 services was Lufthansa which has 11 aircraft, one of the biggest DC-10 fleets out*side the U.S. It relies heavily* on the jet for its long-haul services.

So swift was Lufthansa's action that it now has the *problem of having* a scattered fleet. Although six of the jets were halted at Frankfurt, the other five were on their way to foreign destinations. "They will be grounded where they land," said Lufthansa.

For some passengers that meant an interrupted flight. *Phillipine Airlines stopped* a flight from Manila to the U.S. in mid-Pacific, at Hawaii.

The groundings affect passengers throughout the world *including travellers* on Air New Zealand and SAS in Scandinavia.

Holiday plans disrupted

BY ARTHUR SANDLES

THOUSANDS of British holiday-makers will find their travel plans cancelled or disrupted as a result of the grounding of the UK DC-10 airline fleet.

Laker Airways' decision alone to cancel all its Skytrain flights, all its DC-10 charter flights and all holidays using the aircraft for the next seven days involves 3,500 people. They will be told that they can have their money back. Laker cannot reschedule the holidays in the time avail*able*.

Another 3,000 passengers booked with Jetsave DC-10 flights, mostly with World Airways, are likely to be affected. "We will get everyone away," said Jetsave. "But as things stand there are bound to be delays."

Late last night Jetsave had 350 people in San Francisco awaiting a DC-10 to carry them back home to London. Efforts were being made to find alternative ways home for them.

The Laker group not only runs its own aircraft but also *operates trans-Atlantic charters* and a package holiday company. Its DC-10 jets are used mainly on the Atlantic. But next week four flights were planned to the Mediterranean. The bulk of the Laker programme is handled by its other aircraft, five BAC One-Elevents and a Boeing 707.

Laker also carries passengers for various other tour operators but the numbers involved over the next few days is comparatively small. It is likely that most will be able to offer their passengers alternative air transport.

About half of Jetsave's 6,000 a week trans-Atlantic traffic is on DC-10s, flights which at the moment and for the next few months are *fully* booked for what promises to be a bumper season.

Jetsave, being a charterer rather than an airline, cannot itself cancel flights until the operating airline says it cannot provide the necessary aircraft. With little communication coming from the U.S., the Jetsave head office in Sussex was in a dilemma.

Continued from Page 1

FAA ban may last weeks

A British Caledonian DC-10

to be faulty in San Francisco on Tuesday night.

McDonnell Douglas, whose shares took a renewed beating on Wall Street yesterday, has persistently highlighted this *deviation* from recommended procedures as the likely cause of the problems. And it repeated this again yesterday in its statement.

Of the two American Airlines jets found at fault within the past 24 hours, one had passed a proper inspection procedure no less than twice in the past week and the other once. Both were being inspected because of the FAA's mandate requiring inspection every 100 flying hours or 10 days, which-ever came first.

Most of the other DC-10s grounded at the start of this week as a result of the *concentration* on maintenance procedures were passed fit for service.

THE LEX COLUMN

A dud prospectus from the CSI

The possible introduction of a code of conduct for the sponsors of new issues is causing concern among a number of leading merchant banks in the City. A sub-committee of the Council for the Securities *Industry (CSI) has already* drawn up draft proposals, which will be considered by the Council next month. The idea is that in addition to fulfilling the requirements of the Companies Act and the Stock Exchange, the issuing house should form an overall view about whether a company is suitable for listing. There are three main reasons for rejecting such a code.

The first is that the whole area is already covered by legislation. A prospectus is meant to give the public the same opportunity of judging the *merits of an enterprise as the* promoters possess themselves, and there are criminal and civil sanctions against mis-statements or concealments of material facts. These extend to everyone responsible for drawing up the prospectus.

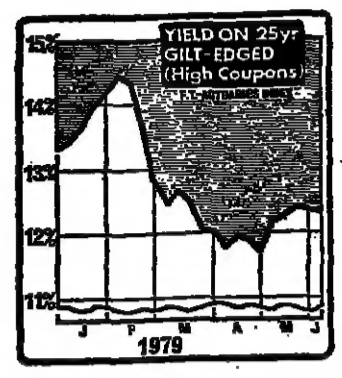
If the law is inadequate, then by all means tighten it up. But an attempt to graft a self regulatory authority on top of the Companies Act could bring all sorts of trouble. It is not clear how such a code could be enforced, since the CSI has no full time executive arm. If it did mount a serious inquiry, however, it would be bound to raise the possibility of subsequent legal action—it would provide a dress rehearsal for the law courts. The chances of anyone co-operating in a voluntary inquiry with that threat hanging over them would be slim. It is noticeable that the Takeover *Panel generally drops* an investigation if it strays into the provinces of the courts.

Another *objection* to the proposed code is that it would be based on generalities. Whereas the Takeover Code gives a series of specific and detailed rules about how bids *should be conducted. the new* issue code would call on sponsors to consider such judgmental matters as whether someone who had only managed a private business could handle a public company, or whether the enterprise was trading in a viable ongoing industry (sic).

So this would not be a code of rules, or of ethics. Instead it would tell an issuing house how it should do its job. Apparently it is not even suggested that there should be any new material in the prospectus, to give the kind of detailed industry background *that is required in the U.S. But* there already exists a much stronger protection for the public—the need for each issuing house to protect *its* good name. Everyone in the City remembers that ICFC brought Ralph Hilton Transport Services to the market, a business which a subsequent Department of Trade Inspectors' report said was "not fit to be floated as a public company."

The voluntary takeover code has been a success—but then it covers activities which are almost untouched by legislation, it has fulfilled a clear public need, the merchant banks want it to work, and it is administered by an experienced full time executive. None of these factors apply to the proposed code on new issues. The CSI plans to debate the issue in the way the City normally does these things — behind closed doors — and maybe that is where it should end up.

Index rose 7.6 to 516.9



NatWest

National Westminster's dollar eurobonds have become as much a feature of the late spring as the Derby: $100m this year, through a floating rate issue, after $225m via two bonds last June and $120m in 1977. The bank main*tains that this year's issue is not* directly related to the $430m takeover of the National Bank of North America, but a little more dollar finance cannot be unwelcome in the light of the acquisition.

NatWest will be hoping the bond will scotch the persistent *rumours that it is about to* launch a rights issue. Certainly this issue must have been behind the rights issue stories circulating at the beginning of this week. But the rumours are liable to keep recurring given that its free equity ratio is at the bottom end of the range for *the clearing banks and it will* now be consolidating NBNA, a move which will bring £85m of goodwill into the balance sheet.

Thos. W. Ward

The scrap metal price continued to firm through most of Thos. W. Ward's first half-year, and a combination of stock profits and better volume on the scrap side was responsible for much of the group's 32 per cent pre-tax profits increase to £6.2m. In engineering, too, there was a pleasing improvement in *margins*.

Gaining on last year's very poor first half is one thing, but it will be much more difficult to show an advance on the far better second half performance. Scrap stock profits, a prominent feature last time, will probably *be absent this year*—Ward has even been running stocks down to avoid losses. The important associates' contribution from Tunnel and Ribblesdale Cement will reflect those companies' *winter half-year*, a miserable time for the construction industry, the motor business will do well to match last year's exceptional sales *even* without the dampening effect of higher petrol price and perhaps VAT, assuming that the most recent figures reflect exceptional pre-*Budget demand*.

But Ward should reach a good £13m for the year, against £11.8m in 1977-78, which with the shares at 86p implies a p/e of around 8, fully-taxed. The dividend position is unclear, but with gearing falling and an undemanding capital expenditure programme Ward can afford to be generous. If it is able and willing to raise its final dividend by as much as the interim the prospective yield rises to 10.8 per cent.

Jessel Trust

Where are they now? Jessel Securities went bust but Jessel Trust is alive—just about—and seeking a capital reorganisation. The scheme, involving big Preference writedown, is said to be designed to ensure that Preference dividends are within the company's income. It would also seem to ensure that the Ordinary shares gain an asset backing, which they have not had recently, and if not too *many outsiders take up a pro*posed rights issue, Mr. Oliver Jessel could wind up with over 80 per cent of the equity.

The Board wishes to develop the company on investment lines providing risk capital. It is a subject which Jessel Trust's shareholders know something *about*.

Weather

UK TODAY

MOST AREAS will have showers and sunny intervals. W. Scotland will be dry. E. Scotland cloudy with rain.

England, Wales, Channel Is., Isle of Man

Showers, locally heavy. Sunny intervals. Max. 16C (61F).

Borders, E. and N.E. Scotland, Cent. Highlands

Mostly cloudy, outbreaks of rain. Max. 12C (54F).

S.W., W., and N.W. Scotland

Mainly dry, sunny intervals. Max. 16C (61F).

N. Ireland

Scattered showers, sunny intervals. More general rain later. Max. 17C (63F).

Outlook: Outbreaks of rain. Cloudy at first, becoming sunnier. Cool.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	Locarno	R	17	63
Algiers	C	23	73	London	C	15	59
Amsdm.	S	17	63	Luxmbg.	C	17	63
Athens	S	28	82	Luxor	S	40	104
Bahrain	S	44	111	Madrid	S	26	79
Barclna	S	22	72	Majorca	C	26	79
Beirut	S	25	77	Malaga	S	23	73
Belfast	F	15	59	Malta	S	27	81
Belgrd.	S	28	82	Mchstr.	F	14	57
Berlin	F	26	79	Melbne.	R	15	59
Biarritz	S	17	63	M'ntreal	S	18	65
Bmghm	C	13	55	Moscow	F	15	59
Black.p'l	F	14	57	Munich	S	22	72
Bordx	F	18	64	Nairobi	R	24	75
Boulgn.	F	14	57	Naples	S	27	81
Bristol	C	15	59	Nwcstl.	C	13	55
Brussels	F	18	64	N. York	F	21	70
Cairo	S	34	93	Nice	C	22	72
Cardiff	C	12	54	Nicosia	S	25	77
Cas'b'ca	S	24	75	Oporto	S	21	70
Cape T.	C	16	61	Oslo	S	27	81
Chicago	S	23	74	Paris	F	19	66
Cologne	C	18	64	Perth	S	18	64
Cpnhgn.	S	25	77	Prague	S	23	73
Corfu	S	27	81	Reykjvk.	C	9	48
Dublin	R	13	55	Rhodes	S	26	79
Dbrvnk.	S	26	79	Rio J'o	S	27	80
Ednbgh.	F	15	59	Rome	F	29	84
Faro	S	26	79	Salzb'rg	F	26	79
Florence	F	27	81	Singapr.	S	32	89
Frankf't	C	20	68	Stckhm.	S	25	77
Funchal	S	20	68	Strasb'g	C	20	68
Geneva	C	18	64	Sydney	S	18	64
Gibrltr.	S	21	70	Tangier	S	27	81
Glasgow	C	16	61	Tehran	C	27	80
G'nsey	F	13	55	Tel Aviv	S	26	79
Helsinki	F	22	72	Tenerife	C	16	61
H. Kong	S	29	84	Tokyo	C	25	77
Innsbr'k	F	26	79	Toronto	C	20	68
Invrnss.	C	17	63	Tunis	S	29	84
I. o.Man	S	12	54	Valencia	S	25	77
Istanbul	S	23	73	Venice	F	25	77
Jersey	C	14	57	Vienna	S	29	84
Jo'burg	S	20	68	Warsaw	S	27	81
L. Plms.	F	21	70	Zurich	C	19	66
Lisbon	S	26	79				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

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